By:  Leach (Senate Sponsor - Kolkhorst) H.B. No. 4174

(In the Senate - Received from the House April 29, 2019; April 30, 2019, read first time and referred to Committee on Natural Resources & Economic Development; May 9, 2019, reported favorably by the following vote: Yeas 11, Nays 0; May 9, 2019, sent to printer.)

COMMITTEE VOTE

               Yea Nay Absent  PNV

Birdwell        X

Zaffirini       X

Fallon          X

Flores          X

Hancock         X

Hinojosa        X

Hughes          X

Miles           X

Paxton          X

Powell          X

Rodríguez       X

A BILL TO BE ENTITLED

AN ACT

relating to the nonsubstantive revision of the event reimbursement programs, including the Pan American Games trust fund, Olympic Games trust fund, Major Events reimbursement program fund, Motor Sports Racing trust fund, and Events trust fund; including conforming amendments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. NONSUBSTANTIVE REVISION OF THE EVENT REIMBURSEMENT PROGRAMS

SECTION 1.01.  Title 4, Government Code, is amended by adding Subtitle E-1 to read as follows:

SUBTITLE E-1. EVENT REIMBURSEMENT PROGRAMS

CHAPTER 475. GENERAL PROVISIONS

CHAPTER 476. PAN AMERICAN GAMES TRUST FUND

CHAPTER 477. OLYMPIC GAMES TRUST FUND

CHAPTER 478. MAJOR EVENTS REIMBURSEMENT PROGRAM

CHAPTER 479. MOTOR SPORTS RACING TRUST FUND

CHAPTER 480. EVENTS TRUST FUND

SUBTITLE E-1. EVENT REIMBURSEMENT PROGRAMS

CHAPTER 475. GENERAL PROVISIONS

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Sec. 475.0002.  PURPOSES OF SUBTITLE

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Sec. 475.0153.  DEPOSIT OF MUNICIPAL OR COUNTY TAX REVENUE

                  TO TRUST FUND

Sec. 475.0154.  PLEDGE OF SURCHARGES TO GUARANTEE

                  OBLIGATIONS

SUBCHAPTER E. CRIMINAL PENALTIES

Sec. 475.0201.  OFFENSE OF BRIBERY

CHAPTER 475. GENERAL PROVISIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 475.0001.  DEFINITIONS. In this subtitle:

(1)  "Endorsing county" means an endorsing county for purposes of Chapter 477, 478, 479, or 480.

(2)  "Endorsing municipality" means an endorsing municipality for purposes of Chapter 476, 477, 478, 479, or 480.

(3)  "Event" means a game or an event as defined by Chapter 478, 479, or 480.

(4)  "Games" means any of the following and includes the events and activities related to the following:

(A)  the College Football Playoff games;

(B)  the Major League Baseball All-Star Game;

(C)  the National Basketball Association All-Star Game;

(D)  the National Collegiate Athletic Association Final Four;

(E)  the National Hockey League All-Star Game;

(F)  the Olympic Games;

(G)  the Pan American Games;

(H)  the Super Bowl;

(I)  the World Cup Soccer Games; or

(J)  the World Games.

(5)  "Games support contract" means a joinder undertaking, a joinder agreement, or a similar contract executed by the office and containing terms permitted or required by this subtitle.

(6)  "Joinder agreement" means an agreement:

(A)  entered into by the office on behalf of this state and a site selection organization setting out representations and assurances by this state in connection with the selection of a site in this state for a game or event; or

(B)  entered into by a local organizing committee, an endorsing municipality, or an endorsing county, or more than one local organizing committee, endorsing municipality, or endorsing county acting collectively, and a site selection organization setting out representations and assurances by each local organizing committee, endorsing municipality, or endorsing county in connection with the selection of a site in this state for a game or event.

(7)  "Joinder undertaking" means an agreement:

(A)  entered into by the office on behalf of this state and a site selection organization that this state will execute a joinder agreement if the site selection organization selects a site in this state for a game or event; or

(B)  entered into by a local organizing committee, an endorsing municipality, or an endorsing county, or more than one local organizing committee, endorsing municipality, or endorsing county acting collectively, and a site selection organization that each local organizing committee, endorsing municipality, or endorsing county will execute a joinder agreement if the site selection organization selects a site in this state for a game or event.

(8)  "Local organizing committee" means a nonprofit corporation or the corporation's successor in interest that:

(A)  is authorized by an endorsing municipality, endorsing county, or more than one endorsing municipality or county acting collectively to pursue an application and bid on the applicant's behalf to a site selection organization for selection as the site of a game or event; or

(B)  with authorization from an endorsing municipality, endorsing county, or more than one endorsing municipality or county acting collectively, executes an agreement with a site selection organization regarding a bid to host a game or event.

(9)  "Office" means the Texas Economic Development and Tourism Office within the office of the governor.

(10)  "Site selection organization" means a site selection organization as defined by Chapters 477, 478, and 480. (V.A.C.S. Art. 5190.14, Secs. 1(1), (1-a), (2), (2-a), (3) as amended Acts 78th Leg., R.S., Ch. 814, (4), (5), (6), (7), (8).)

Sec. 475.0002.  PURPOSES OF SUBTITLE. The purposes of this subtitle are to:

(1)  provide assurances required by a site selection organization sponsoring a game or event; and

(2)  provide financing for the costs of:

(A)  applying or bidding for selection as the site of a game or event in this state;

(B)  making preparations necessary and desirable for conducting a game or event in this state, including costs of the construction or renovation of facilities to the extent authorized by this subtitle; and

(C)  conducting a game or event in this state. (V.A.C.S. Art. 5190.14, Sec. 2.)

Sec. 475.0003.  LEGISLATIVE FINDINGS. Conducting one or more games or events in this state will:

(1)  provide invaluable public visibility throughout the nation or world for this state and the communities where the games or events are held;

(2)  encourage and provide major economic benefits to the communities where the games or events are held and to the entire state; and

(3)  provide opportunities for local and Texas businesses to create jobs that pay a living wage. (V.A.C.S. Art. 5190.14, Sec. 3.)

Sec. 475.0004.  RULES.  The office of the governor shall adopt rules consistent with this subtitle to ensure efficient administration of the trust funds established under this subtitle, including rules related to application and receipt requirements. (V.A.C.S. Art. 5190.14, Sec. 3A.)

SUBCHAPTER B. ACTIONS OF OFFICE AND STATE AGENCIES IN RELATION TO GAMES

Sec. 475.0051.  APPLICABILITY OF SUBCHAPTER. This subchapter does not apply to or otherwise affect an event support contract under Chapter 478, 479, or 480 to which the office is not a party. (V.A.C.S. Art. 5190.14, Sec. 7(a) (part).)

Sec. 475.0052.  REQUEST FOR OFFICE TO ENTER INTO GAMES SUPPORT CONTRACT. (a) The office shall review a request from a local organizing committee, endorsing municipality, or endorsing county that the office, on behalf of this state, enter into a games support contract required by a site selection organization in connection with the committee's, municipality's, or county's bid to host any of the games.

(b)  A request under Subsection (a) must be accompanied by:

(1)  a general description and summary of the games for which the local organizing committee, endorsing municipality, or endorsing county is seeking a site selection;

(2)  a preliminary and general description of the proposal the local organizing committee, endorsing municipality, or endorsing county intends to submit to a site selection organization;

(3)  the estimated cost of preparing and submitting the intended proposal;

(4)  the local organizing committee's, endorsing municipality's, or endorsing county's intended method of obtaining the money needed for preparing the proposal;

(5)  a description by type and approximate amount of the site selection application costs that the local organizing committee, endorsing municipality, or endorsing county intends to pay; and

(6)  any other information reasonably requested by the office to assist the office in reviewing the request. (V.A.C.S. Art. 5190.14, Secs. 7(a) (part), (b).)

Sec. 475.0053.  TIME FOR DETERMINATION. The office shall approve or deny a request under Section 475.0052 not later than the 30th day after the date the local organizing committee, endorsing municipality, or endorsing county submits the request. (V.A.C.S. Art. 5190.14, Sec. 7(c).)

Sec. 475.0054.  PREREQUISITE FOR EXECUTION OF GAMES SUPPORT CONTRACT. The office may agree to execute a games support contract only if:

(1)  the office determines that:

(A)  this state's assurances and obligations under the contract are reasonable; and

(B)  any financial commitment of this state will be satisfied exclusively by recourse to the Pan American Games trust fund or the Olympic Games trust fund, as applicable; and

(2)  the endorsing municipality or endorsing county has executed an agreement with a site selection organization that contains substantially similar terms. (V.A.C.S. Art. 5190.14, Sec. 7(f).)

Sec. 475.0055.  JOINDER UNDERTAKING TERMS. The office may agree in a joinder undertaking entered into with a site selection organization that the office will:

(1)  execute a joinder agreement if the site selection organization selects a site in this state for the games; and

(2)  refrain from taking any action after execution of the joinder undertaking that would impair the office's ability to execute the joinder agreement. (V.A.C.S. Art. 5190.14, Sec. 7(d).)

Sec. 475.0056.  JOINDER AGREEMENT TERMS. The office may agree in a joinder agreement that this state will:

(1)  provide or cause to be provided all of the governmental funding, facilities, and other resources specified in the local organizing committee's, endorsing municipality's, or endorsing county's bid to host the games;

(2)  be bound by the terms of, cause the local organizing committee, endorsing municipality, or endorsing county to perform, and guarantee performance of the committee's, municipality's, or county's obligations under contracts relating to selecting a site in this state for the games; and

(3)  be jointly and severally liable with the local organizing committee, endorsing municipality, or endorsing county for:

(A)  an obligation of the committee, municipality, or county to a site selection organization, including an obligation indemnifying the organization against a claim of and liability to a third party arising out of or relating to the games; and

(B)  any financial deficit relating to the games. (V.A.C.S. Art. 5190.14, Sec. 7(e).)

Sec. 475.0057.  ADDITIONAL TERMS OF GAMES SUPPORT CONTRACT. A games support contract may contain any additional provision the office requires to carry out the purposes of this subtitle. (V.A.C.S. Art. 5190.14, Sec. 7(h).)

Sec. 475.0058.  REPAYMENT AGREEMENT REQUIRED. (a) Before executing a games support contract, the office must execute an agreement with the local organizing committee, endorsing municipality, or endorsing county requiring the committee, municipality, or county to repay this state any money spent by the office under this subtitle if a site selection organization selects a site for the games in this state in accordance with an application by the committee, municipality, or county.

(b)  The local organizing committee, endorsing municipality, or endorsing county will make a repayment under Subsection (a) from any surplus of the committee's, municipality's, or county's money remaining after:

(1)  presentation of the games; and

(2)  payment of the expenses and obligations incurred by the committee, municipality, or county. (V.A.C.S. Art. 5190.14, Sec. 7(g).)

Sec. 475.0059.  STATE AS ADDITIONAL INSURED. The office may require a local organizing committee, endorsing municipality, or endorsing county to list this state as an additional insured on any insurance policy purchased by the committee, municipality, or county that a site selection organization requires to be in effect in connection with the games. (V.A.C.S. Art. 5190.14, Sec. 7(i).)

Sec. 475.0060.  SUPPORT BY CERTAIN STATE AGENCIES. The Texas Department of Transportation, the Department of Public Safety of the State of Texas, and the Texas Department of Housing and Community Affairs may:

(1)  assist a local organizing committee, endorsing municipality, or endorsing county in developing applications and planning for the games; and

(2)  enter into a contract or agreement or give assurances related to the presentation of the games. (V.A.C.S. Art. 5190.14, Sec. 7(j).)

SUBCHAPTER C. LOCAL ORGANIZING COMMITTEES

Sec. 475.0101.  APPLICABILITY OF OPEN MEETINGS AND OPEN RECORDS LAWS. (a) A local organizing committee and the committee's governing body are subject to Chapters 551 and 552. For purposes of those chapters, the governing body of a local organizing committee is considered a governmental body as defined by those chapters. For purposes of Chapter 552, the records and information of a local organizing committee are considered public records and public information.

(b)  A final bid that a local organizing committee submits to a site selection organization, or a draft of that bid, is excepted from required public disclosure under Chapter 552 until the organization selects the site for the games.

(c)  Chapter 551 does not apply to a meeting of a subcommittee of a local organizing committee's governing body if:

(1)  the subcommittee consists of not more than five members;

(2)  the meeting is not held in a public building;

(3)  the subcommittee makes a recording of the meeting proceedings in compliance with Section 551.103, and the committee preserves the recording until the second anniversary of the date the recording is made;

(4)  the subcommittee does not discuss or decide any financial matters during the meeting; and

(5)  any decision the subcommittee makes will not take effect without the governing body reviewing and officially adopting the decision at a meeting held in compliance with Chapter 551.

(d)  A recording made under Subsection (c) is subject to required public disclosure in the manner prescribed by Chapter 552 for a public record. (V.A.C.S. Art. 5190.14, Sec. 8.)

Sec. 475.0102.  TAX EXEMPTIONS FOR CERTAIN COMMITTEES. A local organizing committee that is exempt from paying federal income tax under Section 501(c), Internal Revenue Code of 1986, is exempt from:

(1)  the sales, excise, and use taxes imposed under Chapter 151, Tax Code;

(2)  taxes on the sale, rental, and use of a motor vehicle imposed under Chapter 152, Tax Code;

(3)  the hotel occupancy tax imposed under Chapter 156, Tax Code; and

(4)  the franchise tax imposed under Chapter 171, Tax Code. (V.A.C.S. Art. 5190.14, Sec. 9(a).)

Sec. 475.0103.  ETHICS REQUIREMENTS RELATING TO CERTAIN COMMITTEES; FINANCIAL DISCLOSURES. (a) A local organizing committee that submits a request under Section 475.0052 must:

(1)  affirm as a part of that request that the committee is in full compliance with the ethical guidelines provided by all contracts entered into and rules adopted by the site selection organization, including the organization's requirements regarding disclosure of any financial interest a director, officer, or senior-level employee of the committee has in any proposed transaction with the committee;

(2)  not later than the 15th day of the first month following each calendar quarter, file with the secretary of the endorsing municipality for which the committee submits a request:

(A)  a certification that the committee continues to comply with the ethical guidelines described by Subdivision (1); and

(B)  a report of contributions to and expenditures by the committee, in the manner described by Subsection (b); and

(3)  file with the secretary of the endorsing municipality on April 15 of each year a copy of each financial statement a committee or a member of a committee is required to submit to the United States Olympic Committee during the preceding calendar year.

(b)  A report under Subsection (a)(2)(B) must include:

(1)  for each contribution made to the local organizing committee:

(A)  the contributor's full name and address;

(B)  the date of the contribution;

(C)  whether the contribution is cash, made by check, or in-kind; and

(D)  the amount or market value of the contribution; and

(2)  for each expenditure made by the local organizing committee:

(A)  the full name and address of the person who receives payment of the expenditure;

(B)  the date of the expenditure;

(C)  the amount of the expenditure; and

(D)  the purpose of the expenditure.

(c)  The endorsing municipality for which a local organizing committee submits a request under Section 475.0052 must have a comprehensive ethics code establishing standards of conduct, disclosure requirements, and enforcement mechanisms relating to municipal officials and employees before the office considers the request. (V.A.C.S. Art. 5190.14, Sec. 10.)

SUBCHAPTER D. LOCAL GOVERNMENT CORPORATION IN CERTAIN POPULOUS COUNTIES AS ENDORSING MUNICIPALITY OR COUNTY

Sec. 475.0151.  APPLICABILITY. This subchapter applies only to a local government corporation that:

(1)  is authorized to collect a municipal hotel occupancy tax; and

(2)  is located in a county with a population of 3.3 million or more. (V.A.C.S. Art. 5190.14, Sec. 12(a).)

Sec. 475.0152.  AUTHORITY TO ACT AS ENDORSING MUNICIPALITY OR COUNTY. (a) A local government corporation may act as an endorsing municipality or endorsing county under this subtitle.

(b)  Subject to Section 475.0153, a local government corporation acting as an endorsing municipality or endorsing county under this subtitle has all the powers of an endorsing municipality or endorsing county under this subtitle, and any action an endorsing municipality or endorsing county is required to take by ordinance or order under this subtitle may be taken by order or resolution of the corporation. (V.A.C.S. Art. 5190.14, Secs. 12(b), (e).)

Sec. 475.0153.  DEPOSIT OF MUNICIPAL OR COUNTY TAX REVENUE TO TRUST FUND. (a) A local government corporation acting as an endorsing municipality or endorsing county under this subtitle shall remit for deposit into the trust fund established for the games or event the amounts determined by the office under this subtitle.

(b)  The office shall determine the incremental increase in tax receipts attributable to the games or event and related activities under this subtitle based on the amount of taxes imposed by each municipality or county that comprises the corporation and not on the amount of taxes imposed by the corporation. (V.A.C.S. Art. 5190.14, Sec. 12(c).)

Sec. 475.0154.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. A local government corporation acting as an endorsing municipality or endorsing county under this subtitle may guarantee the corporation's obligations under a games support contract or event support contract by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the games or event and related activities. (V.A.C.S. Art. 5190.14, Sec. 12(d).)

SUBCHAPTER E. CRIMINAL PENALTIES

Sec. 475.0201.  OFFENSE OF BRIBERY. (a) In this section, "benefit" has the meaning assigned by Section 36.01, Penal Code.

(b)  A person commits an offense if the person intentionally or knowingly offers, confers, or agrees to confer on another person, or solicits, accepts, or agrees to accept from another person, any benefit as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a member or employee of a local organizing committee or site selection organization.

(c)  It is a defense to prosecution under Subsection (b) that the benefit conferred is a meal or entertainment reported under Section 475.0103(a)(2)(B).

(d)  It is not a defense to prosecution under Subsection (b) that a person whom the actor sought to influence was not qualified to act as the actor intended the person to act.

(e)  It is not a defense to prosecution under Subsection (b) that the benefit is not offered or conferred or that the benefit is not solicited or accepted until after:

(1)  the decision, opinion, recommendation, vote, or other exercise of discretion has occurred; or

(2)  the person whom the actor sought to influence is no longer a member of the local organizing committee or a site selection organization.

(f)  An offense under this section is a felony of the second degree. (V.A.C.S. Art. 5190.14, Sec. 11.)

CHAPTER 476. PAN AMERICAN GAMES TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 476.0001.  DEFINITIONS

Sec. 476.0002.  ELIGIBILITY AS ENDORSING MUNICIPALITY

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                  IN CERTAIN TAX RECEIPTS

Sec. 476.0052.  TIME FOR DETERMINATION

Sec. 476.0053.  DESIGNATION OF MARKET AREA

Sec. 476.0054.  ESTIMATE OF TAX REVENUE CREDITED TO

                  TRUST FUND

SUBCHAPTER C. TRUST FUND ESTABLISHMENT, CONTRIBUTION, AND LIMITATION

Sec. 476.0101.  PAN AMERICAN GAMES TRUST FUND

Sec. 476.0102.  DEPOSIT OF MUNICIPAL TAX REVENUE

Sec. 476.0103.  STATE TAX REVENUE

Sec. 476.0104.  LIMITATION ON TRANSFERS AND DEPOSITS TO

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SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

Sec. 476.0151.  DISBURSEMENT WITHOUT APPROPRIATION

Sec. 476.0152.  DISBURSEMENT FROM TRUST FUND

Sec. 476.0153.  ALLOWABLE EXPENSES

Sec. 476.0154.  TRANSFER AND REMITTANCE OF REMAINING

                  TRUST FUND MONEY

SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO GAMES

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Sec. 476.0202.  PLEDGE OF SURCHARGES TO GUARANTEE

                  OBLIGATIONS

SUBCHAPTER F. LIMITATIONS ON JOINT LIABILITY

Sec. 476.0251.  LIMITATION AMOUNTS

CHAPTER 476. PAN AMERICAN GAMES TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 476.0001.  DEFINITIONS. In this chapter:

(1)  "Endorsing municipality" means a municipality that authorizes a bid by a local organizing committee for selection of the municipality as the site of the games.

(2)  "Games" means the Pan American Games.

(3)  "Site selection organization" means:

(A)  the Pan American Sports Organization; or

(B)  the United States Olympic Committee.

(4)  "Trust fund" means the Pan American Games trust fund established by this chapter. (V.A.C.S. Art. 5190.14, Secs. 4(a)(1) as amended Acts 78th Leg., R.S., Ch. 814, (2), (3) (part); New.)

Sec. 476.0002.  ELIGIBILITY AS ENDORSING MUNICIPALITY. Only a municipality with a population of 850,000 or more is eligible as an endorsing municipality under this chapter. (V.A.C.S. Art. 5190.14, Sec. 4(a)(3) (part).)

SUBCHAPTER B. STATE ACTIONS RELATING TO GAMES

Sec. 476.0051.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for the games in this state in accordance with an application by a local organizing committee acting on behalf of an endorsing municipality, the office shall determine for each subsequent calendar quarter the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the games and related events:

(1)  the receipts to this state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 476.0053;

(2)  the receipts collected by this state for the endorsing municipality from the sales and use tax imposed by the municipality under Section 321.101(a), Tax Code; and

(3)  the receipts collected by the endorsing municipality from the municipality's hotel occupancy tax imposed under Chapter 351, Tax Code.

(b)  The office shall make the determination required by Subsection (a) in accordance with procedures the office develops. (V.A.C.S. Art. 5190.14, Sec. 4(b) (part).)

Sec. 476.0052.  TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 476.0051 after the first occurrence of a measurable economic impact in this state resulting from the preparation for the games, as determined by the office, but not later than one year before the scheduled opening event of the games. (V.A.C.S. Art. 5190.14, Sec. 4(b) (part).)

Sec. 476.0053.  DESIGNATION OF MARKET AREA. (a) For purposes of Section 476.0051(a)(1), the office shall designate as a market area for the games each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the games and related events. The office shall include areas likely to provide venues, accommodations, and services in connection with the games based on the proposal the local organizing committee provides under Section 475.0052.

(b)  The office shall determine the geographic boundaries of each market area.

(c)  The endorsing municipality selected as the site for the games must be included in a market area for the games. (V.A.C.S. Art. 5190.14, Sec. 4(c).)

Sec. 476.0054.  ESTIMATE OF TAX REVENUE CREDITED TO TRUST FUND. (a) Not later than September 1 of the year that is eight years before the year the games would be held in this state, the office shall provide an estimate of the total amount of municipal and state tax revenue that would be transferred or deposited to the trust fund before January 1 of the year following the year the games would be held if the games were held in this state at a site selected in accordance with an application by a local organizing committee.

(b)  The office shall provide the estimate on request to a local organizing committee.

(c)  A local organizing committee may submit the office's estimate to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 4(i).)

SUBCHAPTER C. TRUST FUND ESTABLISHMENT, CONTRIBUTION, AND LIMITATION

Sec. 476.0101.  PAN AMERICAN GAMES TRUST FUND. The Pan American Games trust fund is established outside the state treasury. The trust fund is held in trust by the comptroller for administration of this subtitle. (V.A.C.S. Art. 5190.14, Sec. 4(f) (part).)

Sec. 476.0102.  DEPOSIT OF MUNICIPAL TAX REVENUE. (a) Subject to Section 476.0104, the endorsing municipality shall deposit to the trust fund the amount of the municipality's hotel occupancy tax revenue determined under Section 476.0051(a)(3). The endorsing municipality shall deposit the hotel occupancy tax revenue to the trust fund at least quarterly.

(b)  To guarantee the joint obligations of this state and the endorsing municipality under a games support contract and this subtitle, the comptroller, at the direction of the office, shall retain the amount of municipal sales and use tax revenue determined under Section 476.0051(a)(2) from the amounts otherwise required to be sent to the municipality under Section 321.502, Tax Code, and, subject to Section 476.0104, deposit the retained tax revenue to the trust fund.

(c)  The comptroller shall begin retaining the municipal sales and use tax revenue with the first distribution of that tax revenue that occurs after the date the office makes the determination under Section 476.0051(a)(2).

(d)  The comptroller shall discontinue retaining the municipal sales and use tax revenue on the earlier of:

(1)  the end of the third calendar month following the month in which the closing event of the games occurs; or

(2)  the date the amount of municipal sales and use tax revenue and municipal hotel occupancy tax revenue in the trust fund equals 14 percent of the maximum amount of municipal and state tax revenue that may be transferred or deposited to the trust fund under Section 476.0104. (V.A.C.S. Art. 5190.14, Secs. 4(d), (f) (part).)

Sec. 476.0103.  STATE TAX REVENUE. (a) At the time the endorsing municipality deposits to the trust fund its hotel occupancy tax revenue under Section 476.0102(a), the comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue determined under Section 476.0051(a)(1) in an amount equal to 6.25 multiplied by the amount of that municipal hotel occupancy tax revenue.

(b)  At the time the comptroller deposits to the trust fund the municipal sales and use tax revenue under Section 476.0102(b), the comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue determined under Section 476.0051(a)(1) in an amount equal to 6.25 multiplied by the amount of that municipal sales and use tax revenue.

(c)  The comptroller shall discontinue transferring to the trust fund any state tax revenue determined under Section 476.0051(a)(1) on the earlier of:

(1)  the end of the third calendar month following the month in which the closing event of the games occurs; or

(2)  the date the amount of state revenue in the trust fund equals 86 percent of the maximum amount of municipal and state tax revenue that may be transferred or deposited to the trust fund under Section 476.0104. (V.A.C.S. Art. 5190.14, Sec. 4(f) (part).)

Sec. 476.0104.  LIMITATION ON TRANSFERS AND DEPOSITS TO TRUST FUND. The total amount of municipal and state tax revenue transferred or deposited to the trust fund may not exceed $20 million. (V.A.C.S. Art. 5190.14, Sec. 4(m) (part).)

SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

Sec. 476.0151.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the trust fund may be spent by the office without appropriation only as provided by this subtitle. (V.A.C.S. Art. 5190.14, Sec. 4(f) (part).)

Sec. 476.0152.  DISBURSEMENT FROM TRUST FUND. (a) The office may make a disbursement from the trust fund only if the office certifies that the disbursement is for a purpose for which this state and the endorsing municipality are jointly obligated under a games support contract or another agreement providing assurances from the office or the municipality to a site selection organization.

(b)  On a certification described by Subsection (a), the office shall satisfy the obligation:

(1)  first, from municipal revenue deposited to the trust fund and any interest earned on that municipal revenue; and

(2)  if the municipal revenue is insufficient to satisfy the entire deficit, from state revenue transferred to the trust fund and any interest earned on that state revenue in an amount sufficient to satisfy the portion of the deficit not covered by the municipal revenue. (V.A.C.S. Art. 5190.14, Secs. 4(g) (part), (j), (k).)

Sec. 476.0153.  ALLOWABLE EXPENSES. The office may use money in the trust fund only to fulfill joint obligations of this state and the endorsing municipality to a site selection organization under a games support contract or another agreement providing assurances from the office or municipality to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 4(g).)

Sec. 476.0154.  TRANSFER AND REMITTANCE OF REMAINING TRUST FUND MONEY. (a) On January 1 of the second year following the year in which the games are held in this state, the comptroller, at the direction of the office, shall transfer to the general revenue fund the amount of state revenue remaining in the trust fund plus any interest earned on that state revenue.

(b)  The comptroller shall remit to the endorsing municipality any money remaining in the trust fund after the required amount is transferred under Subsection (a). (V.A.C.S. Art. 5190.14, Sec. 4(l).)

SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO GAMES

Sec. 476.0201.  REQUIRED INFORMATION. (a) A local organizing committee shall provide information required by the office to fulfill the office's duties under this subtitle, including:

(1)  annual audited statements of any committee financial records required by a site selection organization; and

(2)  data obtained by the committee relating to:

(A)  attendance at the games; and

(B)  the economic impact of the games.

(b)  A local organizing committee must provide any annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement. (V.A.C.S. Art. 5190.14, Sec. 4(h).)

Sec. 476.0202.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality may guarantee its obligations under a games support contract and this subtitle by pledging, in addition to municipal sales and use tax revenue retained under Section 476.0102(b), surcharges from user fees charged in connection with presentation of the games, including parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 4(e).)

SUBCHAPTER F. LIMITATIONS ON JOINT LIABILITY

Sec. 476.0251.  LIMITATION AMOUNTS. The joint liability of this state and the endorsing municipality under a joinder agreement and any other games support contracts entered into under this subtitle may not exceed the lesser of:

(1)  $20 million; or

(2)  the total amount of revenue transferred or deposited to the trust fund and interest earned on the trust fund. (V.A.C.S. Art. 5190.14, Sec. 4(m) (part).)

CHAPTER 477. OLYMPIC GAMES TRUST FUND

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CHAPTER 477. OLYMPIC GAMES TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 477.0001.  DEFINITIONS. In this chapter:

(1)  "Endorsing county" means a county that:

(A)  contains all or part of a municipality described by Section 477.0002; or

(B)  is adjacent to a county described by Paragraph (A).

(2)  "Endorsing municipality" means a municipality that authorizes a bid by a local organizing committee for selection of the municipality as the site of the games.

(3)  "Games" means the Olympic Games.

(4)  "Site selection organization" means:

(A)  the International Olympic Committee; or

(B)  the United States Olympic Committee.

(5)  "Trust fund" means the Olympic Games trust fund established by this chapter. (V.A.C.S. Art. 5190.14, Secs. 4(a)(3) (part), 5(a)(1), (2), (3) (part), (4); New.)

Sec. 477.0002.  ELIGIBILITY AS ENDORSING MUNICIPALITY. Only a municipality with a population of 850,000 or more is eligible as an endorsing municipality under this chapter. (V.A.C.S. Art. 5190.14, Secs. 4(a)(3) (part), 5(a)(3) (part).)

SUBCHAPTER B. STATE ACTIONS RELATING TO GAMES

Sec. 477.0051.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for the games in this state in accordance with an application by a local organizing committee, the office shall determine for each subsequent calendar quarter the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the games and related events:

(1)  the receipts to this state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 477.0053;

(2)  the receipts collected by this state for each endorsing municipality from the sales and use tax imposed by the municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by the municipality under Section 183.051(b), Tax Code;

(3)  the receipts collected by this state for each endorsing county from the sales and use tax imposed by the county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue received by the county under Section 183.051(b), Tax Code;

(4)  the receipts collected by each endorsing municipality from the hotel occupancy tax imposed under Chapter 351, Tax Code; and

(5)  the receipts collected by each endorsing county from the hotel occupancy tax imposed under Chapter 352, Tax Code.

(b)  The office shall make the determination required by Subsection (a) in accordance with procedures the office develops. (V.A.C.S. Art. 5190.14, Sec. 5(b) (part).)

Sec. 477.0052.  TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 477.0051 after the first occurrence of a measurable economic impact in this state resulting from the preparation for the games, as determined by the office, but not later than one year before the scheduled opening event of the games. (V.A.C.S. Art. 5190.14, Sec. 5(b) (part).)

Sec. 477.0053.  DESIGNATION OF MARKET AREA. (a) For purposes of Section 477.0051(a)(1), the office shall designate as a market area for the games each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the games and related events. The office shall include areas likely to provide venues, accommodations, and services in connection with the games based on the proposal the local organizing committee provides under Section 475.0052.

(b)  The office shall determine the geographic boundaries of each market area.

(c)  Each endorsing municipality or endorsing county selected as the site for the games must be included in a market area for the games. (V.A.C.S. Art. 5190.14, Sec. 5(c).)

Sec. 477.0054.  ESTIMATE OF TAX REVENUE CREDITED TO TRUST FUND. (a) Before August 31 of the year that is 12 years before the year the games would be held in this state, or as soon as practicable after that date, the office shall provide an estimate of the total amount of municipal, county, and state tax revenue that would be transferred or deposited to the trust fund if the games were held in this state at a site selected in accordance with an application by a local organizing committee.

(b)  The office shall provide the estimate on request to a local organizing committee.

(c)  A local organizing committee may submit the office's estimate to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 5(i).)

SUBCHAPTER C. TRUST FUND ESTABLISHMENT, CONTRIBUTION, AND LIMITATION

Sec. 477.0101.  OLYMPIC GAMES TRUST FUND. The Olympic Games trust fund is established outside the treasury. The trust fund is held in trust by the comptroller for the administration of this subtitle. (V.A.C.S. Art. 5190.14, Sec. 5(f) (part).)

Sec. 477.0102.  DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE. (a) Subject to Section 477.0104, each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller, at the direction of the office, quarterly shall deposit to the trust fund the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 477.0051(a)(4) or (5), as applicable.

(b)  To guarantee the joint obligations of this state and an endorsing municipality or endorsing county under a games support contract and this subtitle, subject to Section 477.0203, the comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 477.0051(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Section 183.051(b) or 321.502, Tax Code, or to the county under Section 183.051(b) or 323.502, Tax Code. Subject to Sections 477.0104 and 477.0203, the comptroller, at the direction of the office, shall deposit the retained tax revenue to the trust fund for the same calendar quarter as under Subsection (a).

(c)  The comptroller shall begin retaining municipal and county sales and use tax revenue and mixed beverage tax revenue with the first distribution of that tax revenue that occurs after the date the office makes the determination under Section 477.0051(a)(2) or (3).

(d)  The comptroller shall discontinue retaining municipal and county sales and use tax revenue and mixed beverage tax revenue on the earlier of:

(1)  the end of the third calendar month following the month in which the closing event of the games occurs; or

(2)  the date the amount of municipal and county sales and use tax revenue and mixed beverage tax revenue in the trust fund equals 14 percent of the maximum amount of municipal, county, and state tax revenue that may be transferred or deposited to the trust fund under Section 477.0104. (V.A.C.S. Art. 5190.14, Secs. 5(d), (f) (part).)

Sec. 477.0103.  STATE TAX REVENUE. (a) At the time the comptroller deposits to the trust fund the municipal and county tax revenue under Section 477.0102(b), the comptroller shall transfer to the trust fund the state tax revenue determined under Section 477.0051(a)(1) for the quarter.

(b)  The comptroller shall discontinue transferring the amount of state tax revenue determined under Section 477.0051(a)(1) on the earlier of:

(1)  the end of the third calendar month following the month in which the closing event of the games occurs; or

(2)  the date the amount of state revenue in the trust fund equals 86 percent of the maximum amount of municipal, county, and state tax revenue that may be transferred or deposited to the trust fund under Section 477.0104. (V.A.C.S. Art. 5190.14, Sec. 5(f) (part).)

Sec. 477.0104.  LIMITATION ON TRANSFERS AND DEPOSITS TO TRUST FUND. The total amount of municipal, county, and state tax revenue transferred or deposited to the trust fund may not exceed $100 million. (V.A.C.S. Art. 5190.14, Sec. 5(m) (part).)

SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

Sec. 477.0151.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the trust fund may be spent by the office without appropriation only as provided by this subtitle. (V.A.C.S. Art. 5190.14, Sec. 5(f) (part).)

Sec. 477.0152.  DISBURSEMENT FROM TRUST FUND. (a) The office may make a disbursement from the trust fund only if the office certifies that the disbursement is for a purpose for which this state and each endorsing municipality and endorsing county are jointly obligated under a games support contract or another agreement providing assurances from the office or an endorsing municipality or endorsing county to a site selection organization.

(b)  On a certification described by Subsection (a), the office shall satisfy the obligation proportionately from the state and municipal or county revenue in the trust fund. (V.A.C.S. Art. 5190.14, Secs. 5(j) (part), (k).)

Sec. 477.0153.  ALLOWABLE EXPENSES. The office may use money in the trust fund only to fulfill joint obligations of this state and each endorsing municipality and endorsing county to a site selection organization under a games support contract or another agreement providing assurances from the office or the municipality or county to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 5(g).)

Sec. 477.0154.  PROHIBITED DISBURSEMENT. The office may not make a disbursement from the trust fund that the office determines would be used to solicit the relocation of a professional sports franchise located in this state. (V.A.C.S. Art. 5190.14, Sec. 5(j) (part).)

Sec. 477.0155.  TRANSFER AND REMITTANCE OF REMAINING TRUST FUND MONEY. (a) Two years after the closing event of the games, the office shall transfer to the general revenue fund the amount of state revenue remaining in the trust fund plus any interest earned on that state revenue.

(b)  The office shall remit to each endorsing entity in proportion to the amount contributed by the entity any money remaining in the trust fund after the required amount is transferred under Subsection (a). (V.A.C.S. Art. 5190.14, Sec. 5(l).)

SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO GAMES

Sec. 477.0201.  REQUIRED INFORMATION. (a) A local organizing committee shall provide information required by the office to fulfill the office's duties under this subtitle, including:

(1)  annual audited statements of any committee financial records required by a site selection organization; and

(2)  data obtained by the committee relating to:

(A)  attendance at the games; and

(B)  the economic impact of the games.

(b)  A local organizing committee must provide any annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement. (V.A.C.S. Art. 5190.14, Sec. 5(h).)

Sec. 477.0202.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality or endorsing county may guarantee its obligations under a games support contract and this subtitle by pledging, in addition to sales and use tax revenue, mixed beverage tax revenue, and hotel occupancy tax revenue retained under Section 477.0102, surcharges from user fees charged in connection with the presentation of the games, including parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 5(e).)

Sec. 477.0203.  MUNICIPAL OR COUNTY ELECTION. (a) An endorsing municipality or endorsing county must hold an election in the municipality or county to determine whether the municipality or county may contribute a portion of its sales and use taxes to the trust fund under this chapter. The election must be held on a uniform election date before the date a site selection organization requires the endorsing municipality or endorsing county and the state to enter into a joinder undertaking relating to the applicable games.

(b)  If an endorsing municipality or endorsing county is required to hold an election under this section and the contribution of a portion of the municipality's or county's sales and use taxes to the trust fund under this chapter is not approved by a majority of the voters voting in the election:

(1)  the comptroller may not establish the trust fund under this chapter, may not retain the municipality's or county's tax revenue under Section 477.0102 from amounts otherwise required to be sent to that municipality or county, and may not transfer any state tax revenue into the trust fund;

(2)  the office is not required to determine the incremental increase in municipal, county, or state tax revenue under Section 477.0051; and

(3)  the office may not enter into a games support contract relating to the games for which the municipality or county has authorized a bid on its behalf.

(c)  Notwithstanding any other provisions of this subtitle, an endorsing municipality or endorsing county is not required to hold an election to contribute its mixed beverage tax revenue or its hotel occupancy tax revenue to the trust fund under this chapter. (V.A.C.S. Art. 5190.14, Sec. 6.)

SUBCHAPTER F. LIMITATIONS ON JOINT LIABILITY

Sec. 477.0251.  LIMITATION AMOUNTS. The joint liability of this state and an endorsing municipality or endorsing county under a joinder agreement and any other games support contracts entered into under this subtitle may not exceed the lesser of:

(1)  $100 million; or

(2)  the total amount of revenue transferred or deposited to the trust fund and interest earned on the trust fund. (V.A.C.S. Art. 5190.14, Sec. 5(m) (part).)

CHAPTER 478. MAJOR EVENTS REIMBURSEMENT PROGRAM

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CHAPTER 478. MAJOR EVENTS REIMBURSEMENT PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 478.0001.  DEFINITIONS. In this chapter:

(1)  "Endorsing county" means:

(A)  a county that contains a site selected by a site selection organization for an event; or

(B)  a county that:

(i)  does not contain a site selected by a site selection organization for an event;

(ii)  is included in the market area for the event as designated by the office; and

(iii)  is a party to an event support contract.

(2)  "Endorsing municipality" means:

(A)  a municipality that contains a site selected by a site selection organization for an event; or

(B)  a municipality that:

(i)  does not contain a site selected by a site selection organization for an event;

(ii)  is included in the market area for the event as designated by the office; and

(iii)  is a party to an event support contract.

(3)  "Event" means any of the following and includes any activity related to or associated with the following:

(A)  the Academy of Country Music Awards;

(B)  the Amateur Athletic Union Junior Olympic Games;

(C)  the Breeders' Cup World Championships;

(D)  a game of the College Football Playoff or its successor;

(E)  an Elite Rodeo Association World Championship;

(F)  a Formula One automobile race;

(G)  the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of at least 125,000;

(H)  the Major League Baseball All-Star Game;

(I)  the Major League Soccer All-Star Game or the Major League Soccer Cup;

(J)  a mixed martial arts championship;

(K)  the Moto Grand Prix of the United States;

(L)  the National Association for Stock Car Auto Racing (NASCAR):

(i)  All-Star Race; or

(ii)  season-ending Championship Race;

(M)  the National Basketball Association All-Star Game;

(N)  a National Collegiate Athletic Association Final Four tournament game;

(O)  the National Collegiate Athletic Association men's or women's lacrosse championships;

(P)  a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee;

(Q)  the National Cutting Horse Association Triple Crown;

(R)  the National Hockey League All-Star Game;

(S)  a national political convention of the Republican National Committee or the Democratic National Committee;

(T)  an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program;

(U)  a presidential general election debate;

(V)  the Professional Rodeo Cowboys Association National Finals Rodeo;

(W)  a Super Bowl;

(X)  the United States Open Championship;

(Y)  a World Cup soccer game or the World Cup soccer tournament;

(Z)  the World Games; or

(AA)  the X Games.

(4)  "Event support contract" means a joinder undertaking, joinder agreement, or similar contract executed by a site selection organization and a local organizing committee, an endorsing municipality, or an endorsing county.

(5)  "Fund" means the major events reimbursement program fund.

(6)  "Program" means the major events reimbursement program.

(7)  "Site selection organization" means:

(A)  the Academy of Country Music;

(B)  the Amateur Athletic Union;

(C)  the College Football Playoff Administration, LLC, or its successor;

(D)  the Commission on Presidential Debates;

(E)  the Democratic National Committee;

(F)  Dorna Sports;

(G)  the Elite Rodeo Association;

(H)  ESPN or an affiliate;

(I)  the Federation Internationale de Football Association (FIFA);

(J)  the International World Games Association;

(K)  Major League Baseball;

(L)  Major League Soccer;

(M)  the National Association for Stock Car Auto Racing (NASCAR);

(N)  the National Basketball Association;

(O)  the National Collegiate Athletic Association;

(P)  the National Cutting Horse Association;

(Q)  the National Football League;

(R)  the National Hockey League;

(S)  the Professional Rodeo Cowboys Association;

(T)  the Republican National Committee;

(U)  the Ultimate Fighting Championship;

(V)  the United States Golf Association;

(W)  the United States Olympic Committee; or

(X)  the national governing body of a sport that is recognized by:

(i)  the Federation Internationale de l'Automobile;

(ii)  Formula One Management Limited;

(iii)  the National Thoroughbred Racing Association; or

(iv)  the United States Olympic Committee. (V.A.C.S. Art. 5190.14, Sec. 5A(a); New.)

Sec. 478.0002.  RULES. The office may adopt rules necessary to implement this chapter. (V.A.C.S. Art. 5190.14, Sec. 5A(v).)

Sec. 478.0003.  CONSTRUCTION OF CHAPTER. This chapter may not be construed as creating or requiring a state guarantee of an obligation imposed on an endorsing municipality, an endorsing county, or this state under an event support contract or another agreement relating to hosting an event in this state. (V.A.C.S. Art. 5190.14, Sec. 5A(o).)

SUBCHAPTER B. ELIGIBILITY

Sec. 478.0051.  EVENTS ELIGIBLE FOR FUNDING. (a) Only an event listed in Section 478.0001(3) is eligible for funding under this chapter.

(b)  A listed event may receive funding through the program only if:

(1)  a site selection organization, after considering through a highly competitive selection process one or more sites not in this state, selects a site in this state for the event to be held:

(A)  one time; or

(B)  if the event is scheduled under an event contract or event support contract to be held each year for a period of years, one time in each year;

(2)  a site selection organization selects a site in this state as:

(A)  the sole site for the event; or

(B)  the sole site for the event in a region composed of this state and one or more adjoining states;

(3)  the event is held not more than one time in any year;

(4)  the incremental increase in tax receipts determined under Section 478.0102 is at least $1 million; and

(5)  not later than the 30th day before the first day of the event, a site selection organization submits a plan to prevent the trafficking of persons in connection with the event to:

(A)  the office of the attorney general; and

(B)  the chief of the Texas Division of Emergency Management. (V.A.C.S. Art. 5190.14, Sec. 5A(a-1) (part).)

Sec. 478.0052.  SINGLE EVENT CLASSIFICATION FOR ELIGIBILITY PURPOSES. For purposes of Section 478.0051, each presidential general election debate in a series of presidential debates before a general election is considered a separate, single event. (V.A.C.S. Art. 5190.14, Sec. 5A(a-3).)

Sec. 478.0053.  EXEMPTION FROM CERTAIN ELIGIBILITY REQUIREMENT FOR CERTAIN LARGE VENUES. Section 478.0051(b)(1) does not apply to an event described by Section 478.0001(3)(G). If an endorsing municipality or endorsing county requests the office to make a determination under Section 478.0102 for an event described by Section 478.0001(3)(G), the remaining provisions of this chapter apply to that event as if the event satisfied the eligibility requirements under Section 478.0051(b)(1). (V.A.C.S. Art. 5190.14, Sec. 5A(a-2).)

SUBCHAPTER C. STATE ACTIONS RELATING TO EVENTS

Sec. 478.0101.  PREREQUISITES FOR OFFICE ACTION. The office may not undertake any duty imposed by this chapter unless:

(1)  the municipality or county in which an event will be located submits a request;

(2)  the event meets the requirements for funding under Section 478.0051 and all other funding requirements under this chapter; and

(3)  the request is accompanied by documentation from a site selection organization selecting the site for the event. (V.A.C.S. Art. 5190.14, Sec. 5A(p).)

Sec. 478.0102.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for an event in this state in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county and on request of a local organizing committee, endorsing municipality, or endorsing county, the office shall determine the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the event for a one-year period that begins two months before the date on which the event will begin:

(1)  the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 478.0105;

(2)  the receipts collected by this state for each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code;

(3)  the receipts collected by this state for each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code;

(4)  the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code; and

(5)  the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code.

(b)  The office shall make the determination required by Subsection (a) in accordance with procedures the office develops and shall base that determination on information submitted by a local organizing committee, endorsing municipality, or endorsing county.

(c)  For an event scheduled to be held each year for a period of years under an event contract or event support contract, the office shall calculate the incremental increase in the tax receipts specified by Subsection (a) as if the event did not occur in the prior year for purposes of Section 478.0051(b)(4). (V.A.C.S. Art. 5190.14, Secs. 5A(a-1) (part), (b), (b-1) (part).)

Sec. 478.0103.  TIME FOR DETERMINATION REQUEST. A request for a determination of the incremental increase in tax receipts under Section 478.0102 must be submitted to the office not earlier than one year and not later than the 45th day before the beginning date of the event. (V.A.C.S. Art. 5190.14, Sec. 5A(b-1) (part).)

Sec. 478.0104.  TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 478.0102 not later than the 30th day after the date the office receives the request for that determination and related information. (V.A.C.S. Art. 5190.14, Sec. 5A(b-1) (part).)

Sec. 478.0105.  DESIGNATION OF MARKET AREA. (a) For purposes of Section 478.0102(a)(1), the office shall designate as a market area for an event each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event. The office shall include areas likely to provide venues, accommodations, and services in connection with the event based on the proposal the local organizing committee provides to the office.

(b)  The office shall determine the geographic boundaries of each market area.

(c)  An endorsing municipality or endorsing county selected as the site for an event must be included in a market area for the event. (V.A.C.S. Art. 5190.14, Sec. 5A(c).)

Sec. 478.0106.  ESTIMATE OF TAX REVENUE CREDITED TO FUND. (a) Not later than the 30th day after the date a local organizing committee, endorsing municipality, or endorsing county submits a request for a determination of the incremental increase in tax receipts under Section 478.0102, the office shall provide an estimate of the total amount of tax revenue that would be deposited to the fund under this chapter in connection with that event if the event were held in this state at a site selected in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county.

(b)  A local organizing committee, endorsing municipality, or endorsing county may submit the office's estimate to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 5A(j).)

Sec. 478.0107.  ECONOMIC IMPACT STUDY. (a) Not later than the 10th month after the last day of an event eligible for disbursements from the fund, using existing resources, the office shall complete a study in the market area of the event on the measurable economic impact directly attributable to the preparation for and presentation of the event.

(b)  The office shall post on the office's Internet website:

(1)  the results of the study conducted under Subsection (a), including any source documentation or other information on which the office relied for the study;

(2)  the incremental increase in tax receipts for the event determined under Section 478.0102 and any source documentation or information described by Section 478.0251 on which the office relied to determine that increase;

(3)  the documentation described by Section 478.0101(3); and

(4)  documentation verifying that:

(A)  a request submitted under Section 478.0101 is complete and certified as complete by the office;

(B)  the office considered the information submitted by a local organizing committee, endorsing municipality, or endorsing county to determine the incremental increase in tax receipts under Section 478.0102 as required by Section 478.0102(b); and

(C)  each deadline established under this chapter was met. (V.A.C.S. Art. 5190.14, Sec. 5A(w).)

Sec. 478.0108.  DISTRIBUTION AND PUBLICATION OF PLAN TO PREVENT TRAFFICKING OF PERSONS IN CONNECTION WITH EVENT. The office of the attorney general may:

(1)  distribute the plan required by Section 478.0051(b)(5) to appropriate law enforcement agencies and the office of the governor; and

(2)  publish the plan on the Internet website of the office of the attorney general. (V.A.C.S. Art. 5190.14, Sec. 5A(a-4).)

SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

Sec. 478.0151.  MAJOR EVENTS REIMBURSEMENT PROGRAM FUND. The major events reimbursement program fund is established outside the state treasury and is held in trust by the comptroller for administration of this subtitle. (V.A.C.S. Art. 5190.14, Sec. 5A(d) (part).)

Sec. 478.0152.  DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE. (a) Each endorsing municipality or endorsing county participating in the program shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the office, and designated as the major events reimbursement program fund the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 478.0102(a)(4) or (5), less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county.

(b)  The comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 478.0102(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county, and shall deposit the retained tax revenue to the fund.

(c)  The comptroller shall begin retaining and depositing the municipal and county tax revenue:

(1)  with the first distribution of that tax revenue that occurs after the first day of the one-year period described by Section 478.0102(a); or

(2)  at a time the office otherwise determines to be practicable.

(d)  The comptroller shall discontinue retaining the municipal and county tax revenue when the amount of the applicable tax revenue determined under Section 478.0102(a)(2) or (3) has been retained. (V.A.C.S. Art. 5190.14, Sec. 5A(d) (part).)

Sec. 478.0153.  OTHER LOCAL MONEY. (a) In lieu of the municipal and county tax revenues remitted or retained under Section 478.0152, an endorsing municipality or endorsing county may remit to the office for deposit to the fund other local money in an amount equal to the total amount of municipal and county tax revenue determined under Sections 478.0102(a)(2)-(5).

(b)  An endorsing municipality or endorsing county must remit the other local money not later than the 90th day after the last day of an event eligible for funding under the program.

(c)  For purposes of Section 478.0155, the amount deposited under this section is considered remitted local revenue. (V.A.C.S. Art. 5190.14, Sec. 5A(d-1).)

Sec. 478.0154.  SURCHARGES AND USER FEES. An endorsing municipality or endorsing county may collect and remit to the office surcharges and user fees attributable to an event for deposit to the fund. (V.A.C.S. Art. 5190.14, Sec. 5A(e) (part).)

Sec. 478.0155.  STATE TAX REVENUE. (a) The comptroller, at the direction of the office, shall transfer to the fund a portion of the state tax revenue in an amount equal to the prevailing state sales tax rate multiplied by the amount of the local revenue retained or remitted under this chapter, including:

(1)  local sales and use tax revenue;

(2)  mixed beverage tax revenue;

(3)  hotel occupancy tax revenue; and

(4)  surcharge and user fee revenue.

(b)  The amount transferred under Subsection (a) may not exceed the incremental increase in tax receipts determined under Section 478.0102(a)(1). (V.A.C.S. Art. 5190.14, Sec. 5A(f).)

SUBCHAPTER E. DISBURSEMENTS FROM FUND

Sec. 478.0201.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the fund may be disbursed by the office without appropriation only as provided by this chapter. (V.A.C.S. Art. 5190.14, Sec. 5A(d) (part).)

Sec. 478.0202.  DISBURSEMENT FROM FUND. (a) After approval of each contributing endorsing municipality and endorsing county, the office may make a disbursement from the fund for a purpose for which a local organizing committee, an endorsing municipality, an endorsing county, or this state is obligated under a games support contract or event support contract.

(b)  In considering whether to make a disbursement from the fund, the office may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract.

(c)  If the office makes a disbursement from the fund, the office shall satisfy the obligation proportionately from the local and state revenue in the fund. (V.A.C.S. Art. 5190.14, Secs. 5A(k) (part), (l).)

Sec. 478.0203.  REDUCTION OF DISBURSEMENT AMOUNT. (a) After the conclusion of an event, the office shall compare information on the actual attendance figures provided under Section 478.0251 with the estimated attendance numbers used to determine the incremental increase in tax receipts under Section 478.0102. If the actual attendance figures are significantly lower than the estimated attendance numbers, the office may reduce the amount of a disbursement from the fund for an endorsing entity:

(1)  in proportion to the discrepancy between the actual and estimated attendance; and

(2)  in proportion to the amount the entity contributed to the fund.

(b)  The office by rule shall:

(1)  define "significantly lower" for purposes of this section; and

(2)  provide the manner in which the office may proportionately reduce a disbursement.

(c)  This section does not affect the remittance under Section 478.0207 of any money remaining in the fund. (V.A.C.S. Art. 5190.14, Sec. 5A(y).)

Sec. 478.0204.  ALLOWABLE EXPENSES. (a) Money in the fund may be used to:

(1)  pay the principal of and interest on notes issued under Section 478.0252; and

(2)  fulfill obligations of an endorsing municipality, an endorsing county, or this state to a site selection organization under a games support contract or event support contract.

(b)  Subject to Sections 478.0202 and 478.0205, the obligations described by Subsection (a)(2) may include the payment of:

(1)  the costs relating to the preparations necessary or desirable for conducting the event; and

(2)  the costs of conducting the event, including the costs of an improvement or renovation to an existing facility and the costs of the acquisition or construction of a new facility or other facility. (V.A.C.S. Art. 5190.14, Sec. 5A(h).)

Sec. 478.0205.  LIMITATION ON CERTAIN DISBURSEMENTS. (a) A disbursement from the fund is limited to five percent of the cost of a structural improvement or a fixture if:

(1)  an obligation is incurred under a games support contract or event support contract to make the improvement or add the fixture to a site for an event; and

(2)  the improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events.

(b)  The remainder of an obligation described by Subsection (a) is not eligible for a disbursement from the fund, unless the obligation is for an improvement or fixture for a publicly owned facility. (V.A.C.S. Art. 5190.14, Sec. 5A(k) (part).)

Sec. 478.0206.  PROHIBITED DISBURSEMENT. The office may not make a disbursement from the fund that the office determines would be used to solicit the relocation of a professional sports franchise located in this state. (V.A.C.S. Art. 5190.14, Sec. 5A(k) (part).)

Sec. 478.0207.  REMITTANCE OF REMAINING FUND MONEY. On payment of all municipal, county, or state obligations under a games support contract or event support contract related to the location of an event in this state, the office shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the fund. (V.A.C.S. Art. 5190.14, Sec. 5A(m).)

SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO EVENTS

Sec. 478.0251.  REQUIRED INFORMATION. (a) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the office to fulfill the office's duties under this chapter, including:

(1)  annual audited statements of any financial records required by a site selection organization; and

(2)  data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to:

(A)  attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state; and

(B)  the economic impact of the event.

(b)  A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement.

(c)  After the conclusion of an event and on the office's request, a local organizing committee, endorsing municipality, or endorsing county must provide information about the event, such as attendance figures, including an estimate of the number of people who attended the event who are not residents of this state, financial information, or other public information held by the committee, municipality, or county that the office considers necessary. (V.A.C.S. Art. 5190.14, Sec. 5A(i).)

Sec. 478.0252.  ISSUANCE OF NOTES. (a) To meet its obligations under a games support contract or event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes.

(b)  An endorsing municipality or endorsing county may provide that the notes be paid from and secured by:

(1)  amounts on deposit or amounts to be deposited to the fund; or

(2)  surcharges from user fees charged in connection with the event, including parking or ticket fees.

(c)  A note issued must mature not later than the seventh anniversary of the date of issuance. (V.A.C.S. Art. 5190.14, Sec. 5A(g).)

Sec. 478.0253.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this chapter by pledging, in addition to the tax revenue deposited under Section 478.0152, surcharges from user fees charged in connection with the event, including parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 5A(e) (part).)

CHAPTER 479. MOTOR SPORTS RACING TRUST FUND

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CHAPTER 479. MOTOR SPORTS RACING TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 479.0001.  DEFINITIONS. In this chapter:

(1)  "Endorsing county" means a county that contains a site selected by a site selection organization for a motor sports racing event.

(2)  "Endorsing municipality" means a municipality that contains a site selected by a site selection organization for a motor sports racing event.

(3)  "Event support contract" means a joinder undertaking, joinder agreement, or similar contract executed by a site selection organization and an endorsing municipality or endorsing county.

(4)  "Motor sports racing event" means a specific automobile racing event sanctioned by the Automobile Competition Committee for the United States (ACCUS) and held at a temporary event venue. The term includes an event or activity held, sponsored, or endorsed by the site selection organization in conjunction with the racing event.

(5)  "Trust fund" means the motor sports racing trust fund established by this chapter. (V.A.C.S. Art. 5190.14, Sec. 5B(a); New.)

Sec. 479.0002.  CONSTRUCTION OF CHAPTER. This chapter may not be construed as creating or requiring a state guarantee of an obligation imposed on an endorsing municipality, an endorsing county, or this state under a motor sports racing event support contract or another agreement relating to hosting a motor sports racing event in this state. (V.A.C.S. Art. 5190.14, Sec. 5B(n).)

Sec. 479.0003.  APPLICABILITY OF PROVISIONS RELATING TO GAMES. Any provision of this subtitle applicable to games as defined by Section 475.0001 also applies to a motor sports racing event. (V.A.C.S. Art. 5190.14, Sec. 5B(p).)

SUBCHAPTER B. STATE ACTIONS RELATING TO MOTOR SPORTS RACING EVENTS

Sec. 479.0051.  PREREQUISITES FOR OFFICE ACTION. The office may not undertake any duty imposed by this chapter unless:

(1)  the municipality and county in which a motor sports racing event will be held submit a request; and

(2)  the request is accompanied by documentation from a site selection organization selecting the site for the racing event. (V.A.C.S. Art. 5190.14, Sec. 5B(o).)

Sec. 479.0052.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for a motor sports racing event in this state in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county, the office shall determine the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the racing event for the 30-day period that ends at the end of the day after the date on which the racing event will be held:

(1)  the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 479.0054;

(2)  the receipts collected by this state for each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code;

(3)  the receipts collected by this state for each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code;

(4)  the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code; and

(5)  the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code.

(b)  The office shall make the determination required by Subsection (a) in accordance with procedures the office develops. (V.A.C.S. Art. 5190.14, Sec. 5B(b) (part).)

Sec. 479.0053.  TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 479.0052 not later than three months before the date of the motor sports racing event. (V.A.C.S. Art. 5190.14, Sec. 5B(b) (part).)

Sec. 479.0054.  DESIGNATION OF MARKET AREA. (a) For purposes of Section 479.0052(a)(1), the office shall designate as a market area for a motor sports racing event each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the racing event. The office shall include areas likely to provide venues, accommodations, and services in connection with the racing event based on a proposal or other information a local organizing committee, endorsing municipality, or endorsing county provides to the office.

(b)  The office shall determine the geographic boundaries of each market area.

(c)  An endorsing municipality or endorsing county selected as the site for the motor sports racing event must be included in a market area for the racing event. (V.A.C.S. Art. 5190.14, Sec. 5B(c).)

Sec. 479.0055.  ESTIMATE OF TAX REVENUE CREDITED TO TRUST FUND. (a) Not later than three months before the date of a motor sports racing event, the office shall provide an estimate of the total amount of tax revenue that would be transferred or deposited to the trust fund under this chapter in connection with that racing event if the racing event were held in this state at a site selected in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county.

(b)  The office shall provide the estimate on request to a local organizing committee, endorsing municipality, or endorsing county.

(c)  A local organizing committee, endorsing municipality, or endorsing county may submit the office's estimate to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 5B(j).)

SUBCHAPTER C. TRUST FUND ESTABLISHMENT AND CONTRIBUTIONS

Sec. 479.0101.  MOTOR SPORTS RACING TRUST FUND. The motor sports racing trust fund is established outside the state treasury and is held in trust by the comptroller for administration of this chapter. (V.A.C.S. Art. 5190.14, Sec. 5B(d) (part).)

Sec. 479.0102.  DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE. (a) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the office, and designated as the motor sports racing trust fund for the motor sports racing event the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 479.0052(a)(4) or (5), less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county.

(b)  The comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 479.0052(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county, and shall deposit the retained tax revenue to the trust fund.

(c)  The comptroller shall begin retaining and depositing the municipal and county tax revenue with the first distribution of that tax revenue that occurs after the first day of the period described by Section 479.0052(a).

(d)  The comptroller shall discontinue retaining the municipal and county tax revenue when the amount of the applicable tax revenue determined under Section 479.0052(a)(2) or (3) has been retained. (V.A.C.S. Art. 5190.14, Sec. 5B(d) (part).)

Sec. 479.0103.  STATE TAX REVENUE. The comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue determined under Section 479.0052(a)(1) in an amount equal to 6.25 multiplied by the amount of the municipal and county sales and use tax revenue and mixed beverage tax revenue retained and the hotel occupancy tax revenue remitted by an endorsing municipality or endorsing county under Section 479.0102. (V.A.C.S. Art. 5190.14, Sec. 5B(f).)

SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

Sec. 479.0151.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the trust fund may be disbursed by the office without appropriation only as provided by this chapter. (V.A.C.S. Art. 5190.14, Sec. 5B(d) (part).)

Sec. 479.0152.  DISBURSEMENT FROM TRUST FUND. (a) After approval of each contributing endorsing municipality and endorsing county, the office may make a disbursement from the trust fund for a purpose for which an endorsing municipality, an endorsing county, or this state is obligated under a motor sports racing event support contract or event support contract.

(b)  If the office makes a disbursement from the trust fund, the office shall satisfy the obligation proportionately from the municipal, county, and state revenue in the trust fund. (V.A.C.S. Art. 5190.14, Secs. 5B(k) (part), (l).)

Sec. 479.0153.  ALLOWABLE EXPENSES. (a) Money in the trust fund may be used to:

(1)  pay the principal of and interest on notes issued under Section 479.0202; and

(2)  fulfill obligations of an endorsing municipality, an endorsing county, or this state to a site selection organization under a motor sports racing event support contract or event support contract.

(b)  The obligations described by Subsection (a)(2) may include the payment of:

(1)  the costs relating to the preparations necessary or desirable for conducting the motor sports racing event; and

(2)  the costs of conducting the racing event, including costs of a temporary improvement or temporary renovation to an existing facility specific to the racing event. (V.A.C.S. Art. 5190.14, Sec. 5B(h).)

Sec. 479.0154.  PROHIBITED DISBURSEMENT. The office may not make a disbursement from the trust fund that the office determines would be used to solicit the relocation of a professional sports franchise located in this state. (V.A.C.S. Art. 5190.14, Sec. 5B(k) (part).)

Sec. 479.0155.  REMITTANCE OF REMAINING TRUST FUND MONEY. On payment of all municipal, county, or state obligations under a motor sports racing event support contract or event support contract related to the location of a motor sports racing event in this state, the office shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the trust fund. (V.A.C.S. Art. 5190.14, Sec. 5B(m).)

SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO MOTOR SPORTS RACING EVENTS

Sec. 479.0201.  REQUIRED INFORMATION. (a) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the office to fulfill the office's duties under this chapter, including:

(1)  annual audited statements of any financial records required by a site selection organization; and

(2)  data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to:

(A)  attendance at the motor sports racing event; and

(B)  the economic impact of the racing event.

(b)  A local organizing committee, endorsing municipality, or endorsing county must provide any annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement. (V.A.C.S. Art. 5190.14, Sec. 5B(i).)

Sec. 479.0202.  ISSUANCE OF NOTES. (a) To meet its obligations under a motor sports racing event support contract or event support contract to improve, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes.

(b)  An endorsing municipality or endorsing county may provide that the notes be paid from and secured by:

(1)  amounts on deposit or amounts to be transferred or deposited to the trust fund; or

(2)  surcharges from user fees charged in connection with the motor sports racing event, including parking or ticket fees.

(c)  A note issued must mature not later than the seventh anniversary of the date of issuance. (V.A.C.S. Art. 5190.14, Sec. 5B(g).)

Sec. 479.0203.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality or endorsing county may guarantee its obligations under a motor sports racing event support contract and this chapter by pledging, in addition to the tax revenue deposited under Section 479.0102, surcharges from user fees charged in connection with the motor sports racing event, including parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 5B(e).)

CHAPTER 480. EVENTS TRUST FUND

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CHAPTER 480. EVENTS TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 480.0001.  DEFINITIONS. In this chapter:

(1)  "Endorsing county" means a county that contains a site selected by a site selection organization for an event.

(2)  "Endorsing municipality" means a municipality that contains a site selected by a site selection organization for an event.

(3)  "Event" means an event or related series of events to be held in this state for which a local organizing committee, endorsing municipality, or endorsing county seeks approval from a site selection organization to hold the event at a site in this state. The term includes any activity related to or associated with the event.

(4)  "Event support contract" means a joinder undertaking, a joinder agreement, or a similar contract executed by a site selection organization and a local organizing committee, an endorsing municipality, or an endorsing county.

(5)  "Site selection organization" means an entity that conducts or considers conducting in this state an event eligible under Section 480.0051. (V.A.C.S. Art. 5190.14, Sec. 5C(a).)

Sec. 480.0002.  RULES. The office may adopt rules necessary to implement this chapter. (V.A.C.S. Art. 5190.14, Sec. 5C(p).)

Sec. 480.0003.  CONSTRUCTION OF CHAPTER. This chapter may not be construed as creating or requiring a state guarantee of an obligation imposed on an endorsing municipality, an endorsing county, or this state under an event support contract or another agreement relating to hosting an event in this state. (V.A.C.S. Art. 5190.14, Sec. 5C(n).)

SUBCHAPTER B. ELIGIBILITY

Sec. 480.0051.  EVENTS ELIGIBLE FOR FUNDING. An event is eligible for funding under this chapter only if:

(1)  a site selection organization, after considering through a highly competitive selection process one or more sites not in this state, selects a site in this state for the event to be held:

(A)  one time; or

(B)  if the event is scheduled under an event contract or event support contract to be held each year for a period of years, one time in each year;

(2)  a site selection organization selects a site in this state as:

(A)  the sole site for the event; or

(B)  the sole site for the event in a region composed of this state and one or more adjoining states; and

(3)  the event is held not more than one time in any year in this state or an adjoining state. (V.A.C.S. Art. 5190.14, Sec. 5C(a-1).)

Sec. 480.0052.  LIMITATIONS ON CERTAIN FUNDING REQUESTS. (a) This section applies only to an event for which the office determines under Section 480.0102 that the total incremental increase in tax receipts is less than $200,000.

(b)  Subject to Subsection (c), an endorsing municipality or endorsing county may during any 12-month period submit requests for funding under this chapter for not more than 10 events to which this section applies.

(c)  Not more than three of the events described by Subsection (b) may be nonsporting events. (V.A.C.S. Art. 5190.14, Sec. 5C(b-1).)

SUBCHAPTER C. STATE ACTIONS RELATING TO EVENTS

Sec. 480.0101.  PREREQUISITES FOR OFFICE ACTION. The office may not undertake any duty imposed by this chapter unless:

(1)  the municipality or county in which an event will be located submits a request; and

(2)  the request is accompanied by documentation from a site selection organization selecting the site for the event. (V.A.C.S. Art. 5190.14, Sec. 5C(o).)

Sec. 480.0102.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for an event in this state in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county, the office shall determine the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the event for the 30-day period that ends at the end of the day after the date on which the event will be held or, if the event will be held on more than one day, after the last date on which the event will be held:

(1)  the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 480.0104;

(2)  the receipts collected by this state for each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code;

(3)  the receipts collected by this state for each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code;

(4)  the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code; and

(5)  the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code.

(b)  The office shall make the determination required by Subsection (a) in accordance with procedures the office develops and shall base that determination on information submitted by a local organizing committee, endorsing municipality, or endorsing county.

(c)  In determining the amount of state revenue available under Subsection (a)(1), the office may consider whether:

(1)  the event has been previously held in this state; and

(2)  changes to the character of the event could affect the incremental increase in tax receipts collected and remitted to this state by an endorsing municipality or endorsing county under Subsection (a)(1). (V.A.C.S. Art. 5190.14, Secs. 5C(b) (part), (c-1) (part), (q).)

Sec. 480.0103.  TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 480.0102 not later than the earlier of:

(1)  the 30th day after the date the office receives the information for an event submitted by a local organizing committee, endorsing municipality, or endorsing county on which the office bases the determination as provided by Section 480.0102(b); and

(2)  three months before the date of the event. (V.A.C.S. Art. 5190.14, Secs. 5C(b) (part), (c-1) (part).)

Sec. 480.0104.  DESIGNATION OF MARKET AREA. (a) For purposes of Section 480.0102(a)(1), the office shall designate as a market area for an event each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event. The office shall include areas likely to provide venues, accommodations, and services in connection with the event based on the proposal the local organizing committee provides to the office.

(b)  The office shall determine the geographic boundaries of each market area.

(c)  An endorsing municipality or endorsing county selected as the site for the event must be included in a market area for the event. (V.A.C.S. Art. 5190.14, Sec. 5C(c).)

Sec. 480.0105.  ESTIMATE OF TAX REVENUE CREDITED TO FUND. (a) Not later than three months before the date of an event, the office shall provide an estimate of the total amount of tax revenue that would be transferred or deposited to the events trust fund under this chapter in connection with that event if the event were held in this state at a site selected in accordance with an application by a local organizing committee, endorsing municipality, or endorsing county.

(b)  The office shall provide the estimate on request to a local organizing committee, endorsing municipality, or endorsing county.

(c)  A local organizing committee, endorsing municipality, or endorsing county may submit the office's estimate to a site selection organization. (V.A.C.S. Art. 5190.14, Sec. 5C(j).)

Sec. 480.0106.  MODEL EVENT SUPPORT CONTRACT. (a) The office may adopt a model event support contract and make the contract available on the office's Internet website.

(b)  The office's adoption of a model event support contract under this section does not require use of the model event support contract for purposes of this chapter. (V.A.C.S. Art. 5190.14, Sec. 5C(r).)

SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

Sec. 480.0151.  EVENTS TRUST FUND. The events trust fund is established outside the state treasury and is held in trust by the comptroller for administration of this chapter. (V.A.C.S. Art. 5190.14, Sec. 5C(d) (part).)

Sec. 480.0152.  DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE. (a) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the office, and designated as the events trust fund the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 480.0102(a)(4) or (5), less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county.

(b)  The comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 480.0102(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county, and shall deposit the retained tax revenue to the events trust fund.

(c)  The comptroller shall begin retaining and depositing the municipal and county tax revenue:

(1)  with the first distribution of that tax revenue that occurs after the first day of the period described by Section 480.0102(a); or

(2)  at a time the office otherwise determines to be practicable.

(d)  The comptroller shall discontinue retaining the municipal and county tax revenue when the amount of the applicable tax revenue determined under Section 480.0102(a)(2) or (3) has been retained. (V.A.C.S. Art. 5190.14, Sec. 5C(d) (part).)

Sec. 480.0153.  OTHER LOCAL MONEY. (a) In lieu of the municipal and county tax revenues remitted or retained under Section 480.0152, an endorsing municipality or endorsing county may remit to the office for deposit to the events trust fund other local money in an amount equal to the total amount of municipal and county tax revenue determined under Sections 480.0102(a)(2)-(5).

(b)  An endorsing municipality or endorsing county must remit the other local money not later than the 90th day after the last day of an event.

(c)  For purposes of Section 480.0155, the amount deposited under this section is considered remitted municipal and county tax revenue. (V.A.C.S. Art. 5190.14, Sec. 5C(d-1).)

Sec. 480.0154.  SURCHARGES AND USER FEES. An endorsing municipality or endorsing county may collect and remit to the office surcharges and user fees attributable to an event for deposit to the events trust fund. (V.A.C.S. Art. 5190.14, Sec. 5C(e) (part).)

Sec. 480.0155.  STATE TAX REVENUE. (a) The comptroller, at the direction of the office, shall transfer to the events trust fund a portion of the state tax revenue in an amount equal to 6.25 multiplied by the amount of the municipal and county tax revenue retained or remitted under this chapter, including:

(1)  local sales and use tax revenue;

(2)  mixed beverage tax revenue;

(3)  hotel occupancy tax revenue; and

(4)  surcharge and user fee revenue.

(b)  The amount transferred under Subsection (a) may not exceed the incremental increase in tax receipts determined under Section 480.0102(a)(1). (V.A.C.S. Art. 5190.14, Sec. 5C(f).)

SUBCHAPTER E. DISBURSEMENTS FROM FUND

Sec. 480.0201.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the events trust fund may be disbursed by the office without appropriation only as provided by this chapter. (V.A.C.S. Art. 5190.14, Sec. 5C(d) (part).)

Sec. 480.0202.  DISBURSEMENT FROM FUND. (a) After approval of each contributing endorsing municipality and endorsing county, the office may make a disbursement from the events trust fund for a purpose for which a local organizing committee, an endorsing municipality, an endorsing county, or this state is obligated under an event support contract, including an obligation to pay costs incurred in making preparations necessary for the event and conducting the event.

(b)  In considering whether to make a disbursement from the events trust fund, the office may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract.

(c)  If the office makes a disbursement from the events trust fund, the office shall satisfy the obligation proportionately from the local and state revenue in the fund. (V.A.C.S. Art. 5190.14, Secs. 5C(k) (part), (l).)

Sec. 480.0203.  REDUCTION OF DISBURSEMENT AMOUNT. (a) After the conclusion of an event, the office shall compare information on the actual attendance figures provided under Section 480.0251 with the estimated attendance numbers used to determine the incremental increase in tax receipts under Section 480.0102. If the actual attendance figures are significantly lower than the estimated attendance numbers, the office may reduce the amount of a disbursement from the events trust fund for an endorsing entity:

(1)  in proportion to the discrepancy between the actual and estimated attendance; and

(2)  in proportion to the amount the entity contributed to the fund.

(b)  The office by rule shall:

(1)  define "significantly lower" for purposes of this section; and

(2)  provide the manner in which the office may proportionately reduce a disbursement.

(c)  This section does not affect the remittance under Section 480.0207 of any money remaining in the events trust fund. (V.A.C.S. Art. 5190.14, Sec. 5C(t).)

Sec. 480.0204.  ALLOWABLE EXPENSES. (a) Money in the events trust fund may be used to:

(1)  pay the principal of and interest on notes issued under Section 480.0252; and

(2)  fulfill obligations of an endorsing municipality, an endorsing county, or this state to a site selection organization under an event support contract.

(b)  Subject to Sections 480.0202 and 480.0205, the obligations described by Subsection (a)(2) may include the payment of:

(1)  the costs relating to the preparations necessary for conducting the event; and

(2)  the costs of conducting the event, including costs of an improvement or renovation to an existing facility and costs of acquisition or construction of a new facility or other facility. (V.A.C.S. Art. 5190.14, Sec. 5C(h).)

Sec. 480.0205.  LIMITATION ON CERTAIN DISBURSEMENTS. (a) A disbursement from the events trust fund is limited to five percent of the cost of a structural improvement or a fixture if:

(1)  an obligation is incurred under an event support contract to make the improvement or add the fixture to a site for an event; and

(2)  the improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events.

(b)  The remainder of an obligation described by Subsection (a) is not eligible for a disbursement from the events trust fund, unless the obligation is for an improvement or fixture for a publicly owned facility. (V.A.C.S. Art. 5190.14, Sec. 5C(k) (part).)

Sec. 480.0206.  PROHIBITED DISBURSEMENTS. (a) Subject to Subsection (b), the office may not make a disbursement from the events trust fund that the office determines would be used to:

(1)  solicit the relocation of a professional sports franchise located in this state;

(2)  construct an arena, stadium, or convention center; or

(3)  conduct usual and customary maintenance of a facility.

(b)  Subsection (a) does not prohibit a disbursement from the events trust fund for the construction of temporary structures within an arena, stadium, or convention center that are necessary for the conduct of an event or temporary maintenance of a facility that is necessary for the preparation for or conduct of an event. (V.A.C.S. Art. 5190.14, Secs. 5C(k-1), (k-2).)

Sec. 480.0207.  REMITTANCE OF REMAINING FUND MONEY. On payment of all municipal, county, or state obligations under an event support contract related to the location of an event in this state, the office shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the events trust fund. (V.A.C.S. Art. 5190.14, Sec. 5C(m).)

SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO EVENTS

Sec. 480.0251.  REQUIRED INFORMATION. (a) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the office to fulfill the office's duties under this chapter, including:

(1)  annual audited statements of any financial records required by a site selection organization; and

(2)  data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to:

(A)  attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state; and

(B)  the economic impact of the event.

(b)  A local organizing committee, endorsing municipality, or endorsing county must provide any annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement.

(c)  After the conclusion of an event and on the office's request, a local organizing committee, endorsing municipality, or endorsing county must provide information about the event, such as attendance figures, including an estimate of the number of people who attended the event who are not residents of this state, financial information, or other public information held by the committee, municipality, or county that the office considers necessary. (V.A.C.S. Art. 5190.14, Sec. 5C(i).)

Sec. 480.0252.  ISSUANCE OF NOTES. (a) To meet its obligations under an event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes.

(b)  An endorsing municipality or endorsing county may provide that the notes be paid from and secured by:

(1)  amounts on deposit or amounts to be transferred or deposited to the events trust fund; or

(2)  surcharges from user fees charged in connection with the event, including parking or ticket fees.

(c)  A note issued must mature not later than the seventh anniversary of the date of issuance. (V.A.C.S. Art. 5190.14, Sec. 5C(g).)

Sec. 480.0253.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this chapter by pledging, in addition to the tax revenue deposited under Section 480.0152, surcharges from user fees charged in connection with the event, including parking or ticket fees. (V.A.C.S. Art. 5190.14, Sec. 5C(e) (part).)

ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01.  Section 335.078, Local Government Code, is amended to read as follows:

Sec. 335.078.  VENUE DISTRICT AS ENDORSING MUNICIPALITY OR COUNTY. (a) A venue district located in a county with a population of 3.3 million or more may act as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code [~~Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes)~~].

(b)  A venue district acting as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code [~~Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes)~~], shall remit for deposit into the trust fund established for the games or event the amounts determined by the comptroller under that subtitle [~~chapter~~].  The comptroller shall determine the incremental increase in receipts attributable to the games or event and related activities under that subtitle [~~chapter~~] based on the amount of applicable taxes imposed by each municipality or county that comprises the venue district and not on the amount of taxes imposed by the venue district.

(c)  A venue district acting as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code [~~Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes)~~], may guarantee the district's obligations under a games or event support contract by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the games or event and related activities.

(d)  Subject to Subsection (b), a venue district acting as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code [~~Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes)~~], as authorized by this section, has all the powers of an endorsing municipality or endorsing county under that subtitle [~~chapter~~], and any action an endorsing municipality or endorsing county is required to take by ordinance or order under that subtitle [~~chapter~~] may be taken by order or resolution of the venue district.

SECTION 2.02.  Section 26.041(j), Tax Code, is amended to read as follows:

(j)  Any amount derived from the sales and use tax that is retained by the comptroller under Chapters 476 or 477, Government Code [~~Section 4 or 5, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes)~~], is not considered to be sales and use tax revenue for purposes of this section.

ARTICLE 3. REPEALER

SECTION 3.01.  Article 5190.14, Vernon's Texas Civil Statutes, is repealed.

ARTICLE 4. GENERAL MATTERS

SECTION 4.01.  This Act is enacted under Section 43, Article III, Texas Constitution. This Act is intended as a recodification only, and no substantive change in law is intended by this Act.

SECTION 4.02.  This Act takes effect April 1, 2021.

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