

BILL ANALYSIS

Senate Research Center

S.B. 2004
By: King
Economic Development
6/30/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Major Events Reimbursement Program (MERP) permits local governments and local organizing committees to apply to the state for the establishment of a Major Events Reimbursement Fund to help pay for certain eligible costs associated with conducting specifically named major events if all statutory and administrative requirements are met.

A fund is established for each event that consists of amounts deposited by the state and local government of the estimated incremental increase in tax receipts (state sales tax, hotel occupancy tax, mixed beverage tax, motor vehicle tax), as determined by the state, that are directly attributable to the preparation for and presentation of the event for a one-year period. The period begins two months before the date of the event and continues for ten months thereafter. In accordance with statute, the estimated increase in tax receipts is limited to amounts collected within a designated market area, and only to amounts collected from five specific tax types.

S.B. 2004 proposes adding the Arlington Grand Prix to the Major Events Reimbursement Program statute and would help offset costs incurred for hosting and conducting a major event.

This bill not only has support from the local community, it promises to bolster tourism to the benefit of the state economy as a whole.

(Original Author/Sponsor's Statement of Intent)

S.B. 2004 amends current law relating to the eligibility of the INDYCAR Grand Prix of Arlington for funding under the major events reimbursement program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 478.0001(3) and (7), Government Code, as follows:

(3) Adds the INDYCAR Grand Prix of Arlington to the list of activities meant by "event."

(7) Adds Penske Entertainment to the list of organizations meant by "site selection organization."

SECTION 2. Amends Section 478.0051, Government Code, by adding Subsection (d), as follows:

(d) Authorizes an event described by Section 478.0001(3)(M-1) (relating to including the INDYCAR Grand Prix of Arlington in the definition of "event"), notwithstanding Subsection (b) (relating to requirements for a listed event to receive funding through the major events reimbursement program (program)), to receive funding through the program if a site selection organization selects a site in this state as the sole site for the event

without considering through a highly competitive process one or more sites not in this state. Provides that this subsection expires September 1, 2030.

SECTION 3. Effective date: September 1, 2025.