

SUBJECT: Expanding the major event trust fund, abolishing special events trust fund

COMMITTEE: Economic and Small Business Development — committee substitute recommended

VOTE: 7 ayes — Button, C. Anderson, Faircloth, Isaac, Metcalf, E. Rodriguez, Vo

0 nays

2 absent — Johnson, Villalba

SENATE VOTE: On final passage, April 9 — 29-2 (Burton, Huffines), on local and uncontested calendar

WITNESSES: None

BACKGROUND: The major event trust fund provides an economic incentive for organizations to host large events in Texas. The comptroller estimates the amount of state and local tax revenue to be generated by an event, and this amount is set aside in the trust fund to defray the cost of hosting the event. An event, and the respective organization that hosts it — or “site selection organization” — must be listed under Vernon’s Texas Civil Statutes, art. 5190.14, sec. 5A to be eligible.

DIGEST: CSSB 633 would add the following events to the list of eligible events under the major event trust fund:

- the NCAA men’s or women’s lacrosse championships;
- the World Cup soccer tournament;
- the Major League Soccer All-Star Game;
- the Major League Soccer Cup;
- the Professional Rodeo Cowboys Association National Finals Rodeo;
- an Elite Rodeo Association World Championship;
- the United States Open Championship;

- the Amateur Athletic Union Junior Olympic Games;
- the Moto Grand Prix of the United States; and
- a presidential general election debate.

The bill also would add the following site selection organizations that do not already appear in the statute for the events listed above:

- Dorna Sports;
- the Amateur Athletic Union;
- the Professional Rodeo Cowboys Association;
- the Elite Rodeo Association;
- Major League Soccer;
- the United States Golf Association; and
- the Commission on Presidential Debates.

CSSB 633 also would eliminate the special events trust fund.

The bill would take effect September 1, 2015, and any plan approved under the special events trust fund before the effective date would be governed by the law as it existed prior to that date.

**SUPPORTERS
SAY:**

CSSB 633 is necessary to maintain and advance the economic benefits that Texas garners from hosting large events. Large events create substantial tax revenues for the state and significant economic benefit to surrounding businesses, but other states, cities, and countries are beginning to compete more aggressively for large events. By adding eligible events to the major events trust fund, this bill would help Texas attract even more large events to the state and reap the economic benefit they provide.

Over the course of the last few legislative sessions, the forms that economic development has taken in the state have been in flux. As concerns about transparency and accountability have arisen, different economic development programs have been expanded and combined. This bill would focus on the major event trust fund, which has had several accountability measures added to it during the 84th and 83rd regular

legislative sessions, and it would abolish the special events trust fund.

**OPPONENTS
SAY:**

CSSB 633 would add to the transparency and oversight issues associated with the major event trust fund in the past by increasing the number of event sponsors eligible to receive reimbursements. The government should not be engaged in economic development because providing incentives to some companies and not others distorts the free market.