

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 633
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Natural Resources & Economic Development
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature established the Events Trust Fund programs to help communities offset the costs of hosting sporting and other special events and to encourage organizations to bring their events to Texas. The purpose of the funds is to attract visitors from out of state who will increase state and local tax revenue by spending money at local businesses and restaurants. By hosting major events and using the programs to encourage organizations to look to Texas for possible locations to hold their events, we stand to continue our growth in revenue.

Through a competitive bidding process, Texas cities compete with communities in other states for the right to host a qualifying event. The Trust Fund programs attract tourist activity to the state by applying gains from taxes to pay costs associated with hosting events.

Currently the Trust Funds are managed and reported on by the Office of the Comptroller of Public Accounts (comptroller). C.S.S.B. 633 transfers the Trust Fund programs from the comptroller to the Economic Development and Tourism Division of the Office of the Governor (EDT) and it repeals the Special Events Trust Fund. EDT is responsible for maintaining an effective tourism campaign and partnering with local governments to promote Texas' economic growth in tourism. By using this core function, the funds can continue to grow in success while streamlining the state's tourism efforts.

While the comptroller compiles tax data, the estimates required for the Trust Fund programs rely on a collective understanding of tourism spending, lengths of stay, hotel rates, et cetera. EDT serves as an expert on tourism spending data that can be used to estimate the potential effects of these events. The comptroller desires to renew its focus on the core functions of the agency while creating efficiency at all levels of government, and all of the Trust Fund programs are better suited for EDT.

The committee substitute for S.B. 633 is a Legislative Council version of the bill. It also renames the Events Trust Fund programs as Reimbursement Fund programs, since that name seems to better fit what the programs actually do.

C.S.S.B. 633 amends current law relating to a Pan American Games reimbursement fund, an Olympic Games reimbursement fund, a Major Events reimbursement fund, a Motor Sports Racing reimbursement fund, an Events reimbursement fund for sporting and non-sporting events, and a Special Event reimbursement fund.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the comptroller of public accounts of the State of Texas (comptroller) is transferred to the Economic Development and Tourism Division, Office of the Governor, in SECTION 8 (Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 Article 5190.14, V.T.C.S.) and SECTION 12 (Section 5C, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.)) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Section 4, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to read as follows:

Sec. 4. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; PAN AMERICAN GAMES REIMBURSEMENT FUND.

SECTION 2. Amends Sections 4(b), (c), (d), (f), (g), (h), (j), (k), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as follows:

(b) Requires the Texas Economic Development and Tourism Division (EDT), Office of the Governor, rather than the comptroller of public accounts of the State of Texas (comptroller), if a site selection organization selects a site for the games in this state pursuant to an application by a local organizing committee acting on behalf of an endorsing municipality, after the first occurrence of a measurable economic impact in this state as a result of the preparation for the games, as determined by EDT, rather than the comptroller, but in no event later than one year before the scheduled opening event of the games, to determine for each subsequent calendar quarter, in accordance with procedures developed by EDT, rather than the comptroller:

(1) the incremental increase in the receipts to the state from the taxes imposed under Chapters 151 (Limited Sales, Excise, and Use Taxes), 152 (Taxes on Sale, Rental, and Use of Motor Vehicles), 156 (Hotel Occupancy Tax), and 183 (Mixed Beverage Taxes), Tax Code, and under Title 5 (Taxation), Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section that is directly attributable, as determined by EDT, rather than the comptroller, to the preparation for and presentation of the games and related events;

(2) the incremental increase in the receipts collected by the state on behalf of the endorsing municipality from the sales and use tax imposed by the endorsing municipality under Section 321.101(a) (relating to municipalities adopting sales taxes), Tax Code, that is directly attributable, as determined by the as determined by EDT, rather than the comptroller, to the preparation for and presentation of the games and related events; and

(3) the incremental increase in the receipts collected by the endorsing municipality from the municipality's hotel occupancy tax imposed under Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, that is directly attributable, as determined as determined by EDT, rather than the comptroller, to the preparation for and presentation of the games and related events.

(c) Changes references to comptroller to EDT.

(d) Requires the comptroller, at the direction of EDT, to retain, for the purpose of guaranteeing the joint obligations of the state and the endorsing municipality under a games support contract and this Act, the amount of municipal sales and use tax revenue determined under Subsection (b)(2) of this section from the amounts otherwise required to be sent to the municipality under Section 321.502 (Distribution of Trust Funds), Tax Code, beginning with the first distribution of that tax revenue that occurs after the date EDT, rather than the comptroller, makes the determination of the amount of municipal sales and use tax revenue under Subsection (b)(2). Requires the comptroller to discontinue retaining municipal sales and use tax revenue under this subsection on the earlier of:

(1) Makes no change to this subdivision;

(2) the date the amount of municipal sales and use tax revenue and municipal hotel occupancy tax revenue in the Pan American Games reimbursement fund,

rather than the Pan American Games trust fund, equals 14 percent of the maximum amount of state and municipal tax revenue that may be transferred to or deposited in the fund under Subsection (m) of this section. Makes a conforming change.

(f) Requires the comptroller, at the direction of EDT, subject to Subsection (m) of this section, to deposit into a fund, rather than a trust fund, designated as the Pan American Games reimbursement fund, rather than Pan American Games trust fund, the amount of municipal sales and use tax revenue retained under Subsection (d) of this section. Requires the comptroller, at the same time, to transfer to the fund a portion of the state tax revenue determined by EDT under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of that municipal sales and use tax revenue. Requires the endorsing municipality, subject to Subsection (m) of this section, to deposit into the fund, rather than the trust fund, the amount of the endorsing municipality's hotel occupancy tax revenue determined by EDT under Subsection (b)(3) of this section. Requires the endorsing municipality to deposit that hotel occupancy tax revenue into the fund, rather than trust fund, at least quarterly. Requires the comptroller, at the direction of EDT, when the endorsing municipality makes a deposit of its hotel occupancy tax revenue, to transfer to the fund at the same time, rather than deposit at the same time, a portion of the state tax revenue determined under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of that municipal hotel occupancy tax revenue. Provides that the Pan American Games reimbursement fund, rather than the Pan American Games trust fund, is established outside the treasury but is held in trust by the comptroller for the administration of this Act. Requires that the money in the fund, rather than the trust fund, be spent by EDT without appropriation only as provided by this Act. Requires the comptroller to discontinue transferring into the fund, rather than depositing into the trust fund, any state tax revenue determined by EDT under Subsection (b)(1) of this section on the earlier of:

(1) Makes no change to this subdivision;

(2) the date on which the amount of state revenue in the Pan American Games reimbursement fund, rather than the Pan American Games trust fund, equals 86 percent of the maximum amount of state and municipal tax revenue that may be transferred to or deposited in the fund, rather than the trust fund, under Subsection (m) of this section.

(g) Requires EDT to use the money, rather than funds, in the Pan American Games reimbursement fund, rather than the Pan American Games trust fund, only to fulfill joint obligations of the state and the endorsing municipality to a site selection organization under a games support contract or any other agreement providing assurances from EDT or the endorsing municipality to a site selection organization.

(h) Changes references to comptroller to EDT.

(j) Changes a reference to the Pan American Games trust fund to the Pan American Games reimbursement fund, and changes a reference to comptroller to EDT.

(k) Requires the obligation, if EDT, rather than the comptroller, certifies under Subsection (j) of this section that a disbursement may be made from the Pan American Games reimbursement fund, rather than the Pan American Games trust fund, to be satisfied first out of municipal revenue deposited in the fund, rather than trust fund, and any interest earned on that municipal revenue. Requires that state revenue transferred, rather than deposited, into the fund, rather than trust fund, and any interest earned on that state revenue to be used to satisfy the portion of the deficit not covered by the municipal revenue.

(m) Provides that in no event may:

(1) the total amount of state and municipal tax revenue transferred to or deposited in the Pan American Games reimbursement fund, rather than the Pan American Games trust fund, exceed \$20 million; or

(2) the joint liability of the state and the endorsing municipality under a joinder agreement and any other games support contracts entered into pursuant to this Act exceed the lesser of:

(A) \$20 million; or

(B) the total amount of revenue transferred to or deposited in the Pan American Games reimbursement fund, rather than Pan American Games trust fund, and interest earned on the fund.

SECTION 3. Reenacts Sections 4(i) and (l), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as amended by Chapters 579 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature, Regular Session, 2003, and amends them, as follows:

(i) Requires EDT, rather than the comptroller, to provide an estimate not later than September 1, rather than December 1, 2003, of the year that is eight years before the year in which the games would be held in this state of the total amount of state and municipal tax revenue that would be transferred to or deposited in the Pan American Games reimbursement fund before January 1, rather than the Pan American Games trust fund before January 1, 2012, of the year following the year in which the games would be held, if the games were to be held in this state at a site selected pursuant to an application by a local organizing committee. Changes references to the comptroller to EDT.

(l) Requires the comptroller, at the direction of EDT, on January 1, rather than January 1, 2013, of the second year following the year in which the games are held in this state, to transfer to the general revenue fund any money remaining in the Pan American Games reimbursement fund, rather than the Pan American Games trust fund, not to exceed the amount of state revenue remaining in the fund, rather than trust fund, plus any interest earned on that state revenue. Requires the comptroller to remit to the endorsing municipality any money remaining in the fund, rather than trust fund, after the required amount is transferred to the general revenue fund.

SECTION 4. Amends the heading to Section 5, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to read as follows:

Sec. 5. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; OLYMPIC GAMES REIMBURSEMENT FUND.

SECTION 5. Amends Sections 5(b), (c), (d), (f), (g), (h), (i), (j), (k), (l), and (m), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as follows:

(b) and (c) Changes references to the comptroller to EDT.

(d) Requires the comptroller, at the direction of EDT, subject to Section 6 of this Act, to retain, for the purpose of guaranteeing the joint obligations of the state and an endorsing municipality or endorsing county under a games support contract and this Act, the amount of sales and use tax revenue and mixed beverage tax revenue determined under Subsection (b)(2) or (b)(3) of this section from the amounts otherwise required to be sent to the municipality under Section 183.051(b) (requiring the comptroller to issue to each county or incorporated municipality described in Subsection (a) a warrant drawn on the general revenue fund in an amount appropriated by the legislature that may not be less than 10.7143 percent of the taxes received from permittees within the county or incorporated municipality during the quarter) or 321.502 (Distribution of Trust Funds), Tax Code, or to the county under Section 183.051(b) or 323.502 (Distribution of Trust

Funds), Tax Code, beginning with the first distribution of that tax revenue that occurs after the date EDT, rather than the comptroller, makes the determination of the amount of sales and use tax revenue and mixed beverage tax revenue under Subsection (b)(2) or (b)(3) of this section. Requires the comptroller to discontinue retaining sales and use tax revenue and mixed beverage tax revenue under this subsection on the earlier of:

(1) Makes no change to this subdivision; or

(2) the date the amount of local sales and use tax revenue and mixed beverage tax revenue in the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, equals 14 percent of the maximum amount of state and local tax revenue that may be transferred to or deposited in the fund, rather than trust fund, under Subsection (m) of this section.

(f) Requires each endorsing municipality, subject to Subsection (m) of this section, to remit to the comptroller and the comptroller, at the direction of EDT, to deposit into a trust fund designated as the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, on a quarterly basis, the amount of the municipality's or county's hotel occupancy tax revenue determined by EDT under Subsection (b)(4) or (b)(5) of this section, as applicable. Requires the comptroller, at the direction of EDT, subject to Section 6 of this Act and Subsection (m) of this section, to deposit into the fund, rather than the trust fund, the amount of sales and use tax revenue and mixed beverage tax revenue retained under Subsection (d) of this section for the same calendar quarter. Requires the comptroller, at the same time, to transfer to the fund the state tax revenue determined by EDT under Subsection (b)(1) of this section for the quarter. Provides that the Olympic Games reimbursement fund, rather than trust fund, is established outside the treasury but is held in trust by the comptroller for the administration of this Act. Requires that money in the fund, rather than the trust fund, be spent by EDT without appropriation only as provided by this Act. Requires the comptroller to discontinue transfer, rather than deposit, of the amount of state tax revenue determined by EDT under Subsection (b)(1) of this section on the earlier of:

(1) Makes no change to this subdivision; or

(2) the date the amount of state revenue in the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, equals 86 percent of the maximum amount of state, municipal, and county tax revenue that may be transferred to or deposited in the fund, rather than trust fund, under Subsection (m) of this section.

(g) Authorizes EDT to use the money, rather than funds, in the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, only to fulfill joint obligations of the state and each endorsing municipality or endorsing county to a site selection organization under a games support contract or any other agreement providing assurances from EDT or the municipality or county to a site selection organization.

(h) Changes references to the comptroller to EDT.

(i) Requires EDT, rather than the comptroller, to provide an estimate before August 31 of the year that is 12 years before the year in which the games would be held in this state, or as soon as practical after that date, of the total amount of state, municipal, and county tax revenue that would be transferred to or deposited in the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, if the games were to be held in this state at a site selected pursuant to an application by a local organizing committee. Changes references to the comptroller to EDT.

(j)-(l) Changes references to the comptroller to EDT. Changes references to the Olympic Games trust fund to the Olympic Games reimbursement fund. Changes references to the trust fund to the fund.

(m) Provides that in no event may:

(1) the total amount of state, municipal, and county tax revenue transferred to or deposited in the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, exceed \$100 million; or

(2) the joint liability of the state and an endorsing municipality or county under a joinder agreement and any other games support contracts entered into pursuant to this Act exceed the lesser of:

(A) \$100 million; or

(B) the total amount of revenue transferred to or deposited in the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, and interest earned on the fund.

SECTION 6. Amends the heading to Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to read as follows:

Sec. 51. PAYMENT OF STATE AND MUNICIPAL OR COUNTY OBLIGATIONS;
MAJOR EVENTS REIMBURSEMENT FUND.

SECTION 7. Amends Sections 5A(a)(1) and (2), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to redefine "endorsing county" and "endorsing municipality" to change references to comptroller to EDT.

SECTION 8. Amends Section 5A(a-1), (a-2), (b), (b-1), (c), (d), (d-1), (e), (f), (g), (i), (j), (k), (l), (m), (p), (v), (w), and (y), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as follows:

(a-1)-(c) Changes references to the comptroller to EDT.

(d) Requires each endorsing municipality or endorsing county to remit to the comptroller, and requires the comptroller to deposit into a fund, rather than trust fund, created by the comptroller, at the direction of EDT, and designated as the Major Events reimbursement fund, rather than the Major Events trust fund, the amount of the municipality's or county's hotel occupancy tax revenue determined by EDT under Subsection (b)(4) or (b)(5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. Requires the comptroller, at the direction of EDT, to retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by EDT under Subsection (b)(2) or (b)(3) of this section 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, and deposit into the fund, rather than trust fund, the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. Requires the comptroller to begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the one-year period described by Subsection (b) of this section or at a time otherwise determined to be practicable by EDT, rather than the comptroller. Requires the comptroller to discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined by EDT under Subsection (b)(2) or (b)(3) of this section has been retained. Provides that the Major Events reimbursement fund, rather than the Major Events trust fund, is established outside the state treasury and is held in trust by the comptroller for administration of this Act. Requires that money in the fund, rather than trust fund, be disbursed by EDT, rather than the comptroller, without appropriation only as provided by this section.

(d-1) Authorizes a municipality or county, not later than the 90th day after the last day of an event and in lieu of the local tax revenues remitted or retained, rather than remitted to or retained by the comptroller, under Subsection (d) of this section, to remit to EDT,

rather than the comptroller, for deposit in the Major Events reimbursement fund, rather than the Major Events trust fund, other local funds in an amount equal to the total amount of local tax revenue determined by EDT under Subsections (b)(2) through (5) of this section. Provides that the amount deposited by EDT, rather than the comptroller, into the Major Events reimbursement fund, rather than the Major Events trust fund, under this subsection is subject to Subsection (f) of this section.

(e) Changes reference to the comptroller to EDT, and changes references to the Major Events trust fund to the Major Events reimbursement fund.

(f) Requires the comptroller, at the direction of EDT, to transfer, rather than deposit, into the Major Events reimbursement fund, rather than the Major Events trust fund, a portion of the state tax revenue not to exceed the amount determined by EDT under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local tax revenue retained or remitted under this section, including local sales and use tax revenue, mixed beverage tax revenue, hotel occupancy tax revenue, and surcharge and user fee revenue.

(g) Changes a reference to the Major Events trust fund to the Major Events reimbursement fund.

(i)-(k) Changes references to the comptroller to EDT, and changes references to the Major Events trust fund to the Major Events reimbursement fund.

(l) Requires that the obligation, if a disbursement is made from the Major Events reimbursement fund, rather than the Major Events trust fund, under Subsection (k) of this section, be satisfied proportionately from the state and local revenue in the fund, rather than trust fund.

(m) Changes a reference to the comptroller to EDT. Changes a reference to the trust fund to the fund.

(p) and (v) Changes a reference to the comptroller to EDT.

(w) Requires EDT, rather than the comptroller, using existing resources, not later than 10 months after the last day of an event eligible for disbursements from the Major Events reimbursement fund, rather than the Major Events trust fund, for costs associated with the event, to 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 and related activities. Requires EDT, rather than the comptroller, to post on EDT's, rather than the comptroller's, Internet website:

(1) Makes a conforming change;

(2) the amount of incremental increase in tax receipts for the event determined by EDT under Subsection (b) of this section;

(3) Makes no change to this subdivision;

(4) and (5) Makes a conforming change.

(y) Changes references to comptroller to EDT, and changes a reference to the Major Events trust fund to the Major Events reimbursement fund.

SECTION 9. Amends the heading to Section 5B, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to read as follows:

Sec. 5B. GUARANTEE OF STATE AND MUNICIPAL OR COUNTY OBLIGATIONS; MOTOR SPORTS RACING REIMBURSEMENT FUND.

SECTION 10. Amends Sections 5B(b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), and (o), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as follows:

(b) and (c) Changes references to comptroller to EDT.

(d) Requires each endorsing municipality or endorsing county to remit to the comptroller and requires the comptroller to deposit into a fund, rather than trust fund, created by the comptroller, at the direction of EDT, and designated as the Motor Sports Racing reimbursement fund, rather than the Motor Sports Racing trust fund, for the particular event the amount of the municipality's or county's hotel occupancy tax revenue determined by EDT under Subsection (b)(4) or (b)(5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. Requires the comptroller, at the direction of EDT, to retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by EDT under Subsection (b)(2) or (b)(3) of this section 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, and deposit into the fund, rather than trust fund, the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. Requires the comptroller to begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the 30-day period described by Subsection (b) of this section. Requires the comptroller to discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined under Subsection (b)(2) or (3) of this section has been retained. Provides that the Motor Sports Racing reimbursement fund, rather than the Motor Sports Racing trust fund, is established outside the state treasury and is held in trust by the comptroller for administration of this section. Requires that money in the fund, rather than trust fund, be disbursed by EDT, rather than the comptroller, without appropriation only as provided by this section.

(e) Changes a reference to the Motor Sports Racing trust fund to the Motor Sports Racing reimbursement fund. Makes no further change to this subsection.

(f) Requires the comptroller, at the direction of EDT, to transfer, rather than deposit, a portion of the state tax revenue determined by EDT under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local 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 Subsection (d) of this section.

(g) Authorizes an endorsing municipality or endorsing county to provide that the notes be paid from and secured by amounts on deposit or amounts to be transferred or deposited into the Motor Sports Racing reimbursement fund, rather than the Motor Sports Racing trust fund, or surcharges from user fees, including parking or ticket fees, charged in connection with the racing event. Makes no further change to this subsection.

(h) Changes a reference to the funds to the money, and changes a reference to the Motor Sports Racing trust fund to the Motor Sports Racing reimbursement fund.

(i) Changes references to comptroller to EDT.

(j) Requires EDT to provide an estimate not later than three months before the date of a motor sports racing event of the total amount of tax revenue that would be transferred to or deposited in the Motor Sport Racing reimbursement fund, rather than the Motor Sports Racing trust fund, under this section in connection with that racing event, if the racing event were to be held in this state at a site selected pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county. Makes conforming changes.

(k) Changes references to comptroller to EDT. Changes a reference to the Motor Sports Racing trust fund to the Motor Sports reimbursement fund. Changes a reference to the trust fund to the fund.

(l) Requires that the obligation, if a disbursement is made from the Motor Sports Racing reimbursement fund, rather than the Motor Sports Racing trust fund, under Subsection (k) of this section, be satisfied proportionately from the state and local revenue in the fund, rather than trust fund.

(m) Changes a reference to comptroller to EDT, and changes a reference to the trust fund to the fund.

(o) Changes a reference to comptroller to EDT.

SECTION 11. Amends the heading to Section 5C, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to read as follows:

Sec. 5C. EVENTS REIMBURSEMENT FUND FOR CERTAIN MUNICIPALITIES AND COUNTIES.

SECTION 12. Amends Sections 5C(b), (b-1), (c), (c-1), (d), (d-1), (e), (f), (g), (h), (i), (j), (k), (k-1), (k-2), (l), (m), (o), (p), (q), (r), and (t), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as follows:

(b)-(c-1) Changes references to the comptroller to EDT.

(d) Requires each endorsing municipality or endorsing county to remit to the comptroller and requires the comptroller to deposit into a fund, rather than a trust fund, created by the comptroller, at the direction of EDT, and designated as the Events reimbursement fund, rather than the Events trust fund, the amount of the municipality's or county's hotel occupancy tax revenue determined by EDT under Subsection (b)(4) or (5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. Requires the comptroller, at the direction of EDT, to retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by EDT under Subsection (b)(2) or (3) of this section 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, and deposit into the fund, rather than trust fund, the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. Requires the comptroller to begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the period described by Subsection (b) of this section or at a time otherwise determined to be practicable by EDT, rather than the comptroller. Requires the comptroller to discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined by EDT under Subsection (b)(2) or (3) of this section has been retained. Provides that the Events reimbursement fund, rather than the Events trust fund, is established outside the state treasury and is held in trust by the comptroller for administration of this section. Requires money in the fund, rather than trust fund, be disbursed by EDT without appropriation only as provided by this section. Changes references to the comptroller to EDT.

(d-1) Authorizes a municipality or county, not later than the 90th day after the last day of an event and in lieu of the local tax revenues remitted or retained under Subsection (d) of this section, to remit to EDT for deposit in the Events reimbursement fund, rather than the Events trust fund, other local funds in an amount equal to the total amount of local tax revenue determined by EDT under Subsections (b)(2) through (5) of this section. Provides that the amount deposited by EDT into the Events reimbursement fund, rather than the Events trust fund, under this section is subject to Subsection (f) of this section. Changes references to the comptroller to EDT.

- (e) Changes references to the Events trust fund to the Events reimbursement fund, and changes a reference to comptroller to EDT.
- (f) Requires the comptroller, at the direction of EDT, to transfer, rather than deposit, into the Events reimbursement fund, rather than the Events trust fund, a portion of the state tax revenue not to exceed the amount determined by EDT under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local tax revenue retained or remitted under this section, including local sales and use tax revenue, mixed beverage tax revenue, hotel occupancy tax revenue, and surcharge and user fee revenue.
- (g) Authorizes an endorsing municipality or endorsing county to provide that the notes be paid from and secured by amounts on deposit or amounts to be transferred or deposited into the Events reimbursement fund, rather than the Events trust fund, or surcharges from user fees, including parking or ticket fees, charged in connection with the event. Makes no further change to this subsection.
- (h) Changes reference to the Events trust fund to the Events reimbursement fund.
- (i) Changes references to comptroller to EDT.
- (j) Requires EDT, rather than the comptroller, to provide an estimate not later than three months before the date of an event of the total amount of tax revenue that would be transferred into or deposited in the Events reimbursement fund, rather than the Events trust fund, under this section in connection with that event, if the event were to be held in this state at a site selected pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county. Requires EDT, rather than the comptroller, to provide the estimate on request to a local organizing committee, endorsing municipality, or endorsing county. Authorizes a local organizing committee, endorsing municipality, or endorsing county to submit EDT's, rather than the comptroller's, estimate to a site selection organization.
- (k) Changes references to comptroller to EDT. Changes a reference to the Events trust fund to the Events reimbursement fund, and changes references to trust fund to fund.
- (k-1) Changes a reference to comptroller to EDT.
- (k-2) Changes a reference to the trust fund to the fund.
- (l) Changes a reference to the Events trust fund to the Events reimbursement fund, and changes a reference to the trust fund to the fund.
- (m) Changes a reference to comptroller to EDT, and changes a reference to the Events trust fund to the Events reimbursement fund.
- (o) Changes a reference to comptroller to EDT.
- (p) Authorizes EDT, rather than the comptroller, to adopt rules necessary to implement this section.
- (q) Changes a reference to comptroller to EDT.
- (r) Changes references to comptroller to EDT.
- (t) Changes references to comptroller to EDT, and changes a reference to the Events trust fund to the Events reimbursement fund. Requires EDT by rule, rather than the comptroller, to define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced.

SECTION 13. Amends Section 6(a) and (b), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), as follows:

(a) Changes a reference to the Olympic Games trust fund to the Olympic Games reimbursement fund.

(b) Provides that 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 Olympic Games reimbursement fund, rather than the Olympic Games trust fund, under Section 5 of this Act is not approved by a majority of the voters voting in the election:

(1) the comptroller is prohibited from establishing the Olympic Games reimbursement fund, rather than the Olympic Games trust fund, under Section 5 of this Act, from retaining the municipality's or county's tax revenue under Section 5(d) of this Act from amounts otherwise required to be sent to that municipality or county, and from transferring, rather than depositing, any state tax revenue into the trust fund;

(2) Changes a reference to comptroller to EDT; and

(3) Makes no change to this subdivision.

SECTION 14. Amends Section 7(f), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.), to change references to trust fund to reimbursement fund.

SECTION 15. Repealer: Section 5C(s) (relating to rulemaking authority expressly granted to the comptroller for the implementation of the Events trust fund), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.).

Repealer: Chapter 398 (Measures to Support Municipal and County Special Events), Local Government Code.

SECTION 16. Requires the office of the governor and the comptroller, as soon as is practicable after the effective date of this Act, but not later than September 10, 2015, to develop and adopt a memorandum of understanding that:

(1) identifies in detail the applicable powers and duties of the comptroller that are being transferred to the office of the governor as a result of this Act; and

(2) establishes a plan for the identification and transfer of records, property, and unspent appropriations of the comptroller that are used for purposes of managing the funds transferred to the office of the governor.

SECTION 17. (a) Provides that, not later than September 10, 2015:

(1) the administration of the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events is required to be transferred from the comptroller to EDT.

(2) all rules, forms, policies, procedures, or decisions of the comptroller that are related to the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events are continued in effect as rules, forms, policies, procedures, or decisions of the economic development and tourism division, office of the governor, until superseded by a rule or other appropriate act of EDT; and

(3) a reference in law or administrative rule to the comptroller relating to the decisions for and administration of the Pan American Games reimbursement fund,

Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events, other than a duty typically performed by the comptroller related to a state fund, means EDT.

(b) Requires the comptroller and EDT, before the transfer of the administration of the Pan American Games reimbursement fund, Olympic Games reimbursement fund, Major Events reimbursement fund, Motor Sports Racing reimbursement fund, and Events reimbursement fund for sporting and non-sporting events, to coordinate the transfer of powers and duties, including records and other items, in accordance with the memorandum of understanding adopted under Section 16 of this Act, to ensure a smooth transition.

SECTION 18. Provides that, notwithstanding the repeal by this Act of Chapter 398, Local Government Code, a special event plan approved under former Chapter 398 of that code before September 1, 2015, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 19. Effective date: September 1, 2015.