

By: Isaac

H.B. No. 3613

A BILL TO BE ENTITLED

AN ACT

relating to a Pan American Games trust fund, an Olympic Games trust fund, a Major Events trust fund, a Motor Sports Racing trust fund, an Events trust fund for sporting and non-sporting events, and a Special Event trust fund.

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

SECTION 1. Sections 4(b), (c), (d), (f), (h), (j), and (k), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) 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 the department ~~[comptroller]~~, but in no event later than one year before the scheduled opening event of the games, the department ~~[comptroller]~~ shall determine for each subsequent calendar quarter, in accordance with procedures developed by the department ~~[comptroller]~~:

(1) the incremental increase in the receipts to the state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that

1 is directly attributable, as determined by the department  
2 ~~[comptroller]~~, to the preparation for and presentation of the games  
3 and related events;

4 (2) the incremental increase in the receipts collected  
5 by the state on behalf of the endorsing municipality from the sales  
6 and use tax imposed by the endorsing municipality under Section  
7 321.101(a), Tax Code, that is directly attributable, as determined  
8 by the department ~~[comptroller]~~, to the preparation for and  
9 presentation of the games and related events; and

10 (3) the incremental increase in the receipts collected  
11 by the endorsing municipality from the municipality's hotel  
12 occupancy tax imposed under Chapter 351, Tax Code, that is directly  
13 attributable, as determined by the department ~~[comptroller]~~, to the  
14 preparation for and presentation of the games and related events.

15 (c) For the purposes of Subsection (b)(1) of this section,  
16 the department ~~[comptroller]~~ shall designate as a market area for  
17 the games each area in which the department ~~[comptroller]~~  
18 determines there is a reasonable likelihood of measurable economic  
19 impact directly attributable to the preparation for and  
20 presentation of the games and related events, including areas  
21 likely to provide venues, accommodations, and services in  
22 connection with the games based on the proposal provided by the  
23 local organizing committee under Section 7 of this Act. The  
24 department ~~[comptroller]~~ shall determine the geographic boundaries  
25 of each market area. The endorsing municipality that has been  
26 selected as the site for the games must be included in a market area  
27 for the games.

1           (d) The comptroller, at the direction of the department,  
2 shall retain, for the purpose of guaranteeing the joint obligations  
3 of the state and the endorsing municipality under a games support  
4 contract and this Act, the amount of municipal sales and use tax  
5 revenue determined under Subsection (b)(2) of this section from the  
6 amounts otherwise required to be sent to the municipality under  
7 Section 321.502, Tax Code, beginning with the first distribution of  
8 that tax revenue that occurs after the date the department  
9 ~~[comptroller]~~ makes the determination of the amount of municipal  
10 sales and use tax revenue under Subsection (b)(2). The comptroller  
11 shall discontinue retaining municipal sales and use tax revenue  
12 under this subsection on the earlier of:

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

15           (2) the date the amount of municipal sales and use tax  
16 revenue and municipal hotel occupancy tax revenue in the Pan  
17 American Games trust fund equals 14 percent of the maximum amount of  
18 state and municipal tax revenue that may be deposited in the trust  
19 fund under Subsection (m) of this section.

20           (f) Subject to Subsection (m) of this section, the  
21 comptroller shall deposit into a trust fund designated as the Pan  
22 American Games trust fund the amount of municipal sales and use tax  
23 revenue retained under Subsection (d) of this section and, at the  
24 same time, a portion of the state tax revenue determined by the  
25 department under Subsection (b)(1) of this section in an amount  
26 equal to 6.25 times the amount of that municipal sales and use tax  
27 revenue. Subject to Subsection (m) of this section, the endorsing

1 municipality shall deposit into the trust fund the amount of the  
 2 endorsing municipality's hotel occupancy tax revenue determined by  
 3 the department under Subsection (b)(3) of this section. The  
 4 endorsing municipality shall deposit that hotel occupancy tax  
 5 revenue into the trust fund at least quarterly. When the endorsing  
 6 municipality makes a deposit of its hotel occupancy tax revenue,  
 7 the comptroller, at the direction of the department, shall deposit  
 8 at the same time a portion of the state tax revenue determined under  
 9 Subsection (b)(1) of this section in an amount equal to 6.25 times  
 10 the amount of that municipal hotel occupancy tax revenue. The Pan  
 11 American Games trust fund is established outside the treasury but  
 12 is held in trust by the comptroller for the administration of this  
 13 Act. Money in the trust fund may be spent by the department without  
 14 appropriation only as provided by this Act. The comptroller shall  
 15 discontinue depositing into the trust fund any state tax revenue  
 16 determined by the department under Subsection (b)(1) of this  
 17 section on the earlier of:

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

20 (2) the date on which the amount of state revenue in  
 21 the Pan American Games trust fund equals 86 percent of the maximum  
 22 amount of state and municipal tax revenue that may be deposited in  
 23 the trust fund under Subsection (m) of this section.

24 (h) A local organizing committee shall provide information  
 25 required by the department [~~comptroller~~] to enable the department  
 26 [~~comptroller~~] to fulfill the department's [~~comptroller's~~] duties  
 27 under this Act, including annual audited statements of the local

organizing committee's financial records required by a site selection organization and data obtained by the local organizing committee relating to attendance at the games and to the economic impact of the games. A local organizing committee must provide an annual audited financial statement required by the department ~~[comptroller]~~ not later than the end of the fourth month after the date the period covered by the financial statement ends.

(j) The department may not make a disbursement from the Pan American Games trust fund unless the department ~~[comptroller]~~ certifies that the disbursement is for a purpose for which the state and the endorsing municipality are jointly obligated under a games support contract or other agreement described by Subsection (g) of this section.

(k) If the department ~~[comptroller]~~ certifies under Subsection (j) of this section that a disbursement may be made from the Pan American Games trust fund, the obligation shall be satisfied first out of municipal revenue deposited in the trust fund and any interest earned on that municipal revenue. If the municipal revenue is not sufficient to satisfy the entire deficit, state revenue deposited into the trust fund and any interest earned on that state revenue shall be used to satisfy the portion of the deficit not covered by the municipal revenue.

SECTION 2. Sections 4(i) and (l), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article [5190.14](#), Vernon's Texas Civil Statutes), as amended by Chapters 579 (H.B. 1675) and 814 (S.B. 275), Acts of the 78th Legislature, 2003, are reenacted and amended to read as follows:

(i) The department [~~comptroller~~] shall provide an estimate not later than September [~~December~~] 1 [~~7, 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 deposited in the Pan American Games trust fund before January 1 [~~7, 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. The department [~~comptroller~~] shall provide the estimate on request to a local organizing committee. A local organizing committee may submit the department's [~~comptroller's~~] estimate to a site selection organization.

(1) On January 1 [~~7, 2013,~~] of the second year following the year in which the games are held in this state, the comptroller, at the direction of the department, shall transfer to the general revenue fund any money remaining in the Pan American Games trust fund, not to exceed the amount of state revenue remaining in the trust fund, plus any interest earned on that state revenue. The comptroller shall remit to the endorsing municipality any money remaining in the trust fund after the required amount is transferred to the general revenue fund.

SECTION 3. Sections 5(b), (c), (d), (f), (h), (i), (j), (k), and (l), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article [5190.14](#), Vernon's Texas Civil Statutes), are amended to read as follows:

(b) If a site selection organization selects a site for the games in this state pursuant to an application by a local organizing

committee, after the first occurrence of a measurable economic impact in this state as a result of the preparation for the games, as determined by the department [~~comptroller~~], but in no event later than one year before the scheduled opening event of the games, the department [~~comptroller~~] shall determine for each subsequent calendar quarter, in accordance with procedures developed by the department [~~comptroller~~]:

(1) the incremental increase in the receipts to the state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department [~~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 each endorsing municipality from the sales and use tax imposed by the endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by the endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the department [~~comptroller~~], to the preparation for and presentation of the games and related events;

(3) the incremental increase in the receipts collected by the state on behalf of 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 to be received by the endorsing county under Section 183.051(b), Tax Code, that is directly

1 attributable, as determined by the department [~~comptroller~~], to the  
2 preparation for and presentation of the games and related events;

3 (4) the incremental increase in the receipts collected  
4 by each endorsing municipality from the hotel occupancy tax imposed  
5 under Chapter 351, Tax Code, that is directly attributable, as  
6 determined by the department [~~comptroller~~], to the preparation for  
7 and presentation of the games and related events; and

8 (5) the incremental increase in the receipts collected  
9 by each endorsing county from the hotel occupancy tax imposed under  
10 Chapter 352, Tax Code, that is directly attributable, as determined  
11 by the department [~~comptroller~~], to the preparation for and  
12 presentation of the games and related events.

13 (c) For the purposes of Subsection (b)(1) of this section,  
14 the department [~~comptroller~~] shall designate as a market area for  
15 the games each area in which the department [~~comptroller~~]  
16 determines there is a reasonable likelihood of measurable economic  
17 impact directly attributable to the preparation for and  
18 presentation of the games and related events, including areas  
19 likely to provide venues, accommodations, and services in  
20 connection with the games based on the proposal provided by the  
21 local organizing committee under Section 7 of this Act. The  
22 department [~~comptroller~~] shall determine the geographic boundaries  
23 of each market area. Each endorsing municipality or endorsing  
24 county that has been selected as the site for the games must be  
25 included in a market area for the games.

26 (d) Subject to Section 6 of this Act, the comptroller, at  
27 the direction of the department, shall 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) or 321.502, Tax Code, or to the county under Section 183.051(b) or 323.502, Tax Code, beginning with the first distribution of that tax revenue that occurs after the date the department [~~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. The comptroller shall discontinue retaining sales and use tax revenue and mixed beverage tax revenue under this subsection 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 local sales and use tax revenue and mixed beverage tax revenue in the Olympic Games trust fund equals 14 percent of the maximum amount of state and local tax revenue that may be deposited in the trust fund under Subsection (m) of this section.

(f) Subject to Subsection (m) of this section, each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund designated as the Olympic Games trust fund, on a quarterly basis, the amount of the municipality's or county's hotel occupancy tax revenue determined by the department under Subsection (b)(4) or

(b)(5) of this section, as applicable. Subject to Section 6 of this Act and Subsection (m) of this section, the comptroller, at the direction of the department, shall deposit into 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 and, at the same time, the state tax revenue determined by the department under Subsection (b)(1) of this section for the quarter. The Olympic Games trust fund is established outside the treasury but is held in trust by the comptroller for the administration of this Act. Money in the trust fund may be spent by the department without appropriation only as provided by this Act. The comptroller shall discontinue deposit of the amount of state tax revenue determined by the department under Subsection (b)(1) of this section 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 Olympic Games trust fund equals 86 percent of the maximum amount of state, municipal, and county tax revenue that may be deposited in the trust fund under Subsection (m) of this section.

(h) A local organizing committee shall provide information required by the department ~~[comptroller]~~ to enable the department ~~[comptroller]~~ to fulfill the department's ~~[comptroller's]~~ duties under this Act, including annual audited statements of the local organizing committee's financial records required by a site selection organization and data obtained by the local organizing committee relating to attendance at the games and to the economic

1 impact of the games. A local organizing committee must provide an  
 2 annual audited financial statement required by the department  
 3 ~~[comptroller]~~ not later than the end of the fourth month after the  
 4 date the period covered by the financial statement ends.

5 (i) The department ~~[comptroller]~~ shall provide an estimate  
 6 before August 31 of the year that is 12 years before the year in  
 7 which the games would be held in this state, or as soon as practical  
 8 after that date, of the total amount of state, municipal, and county  
 9 tax revenue that would be deposited in the Olympic Games trust fund  
 10 if the games were to be held in this state at a site selected  
 11 pursuant to an application by a local organizing committee. The  
 12 department ~~[comptroller]~~ shall provide the estimate on request to a  
 13 local organizing committee. A local organizing committee may  
 14 submit the department's ~~[comptroller's]~~ estimate to a site  
 15 selection organization.

16 (j) The department may not make a disbursement from the  
 17 Olympic Games trust fund unless the department ~~[comptroller]~~  
 18 certifies that the disbursement is for a purpose for which the state  
 19 and each endorsing municipality or endorsing county are jointly  
 20 obligated under a games support contract or other agreement  
 21 described by Subsection (g) of this section. A disbursement may not  
 22 be made from the trust fund that the department determines would be  
 23 used for the purpose of soliciting the relocation of a professional  
 24 sports franchise located in this state.

25 (k) If the department ~~[comptroller]~~ certifies under  
 26 Subsection (j) of this section that a disbursement may be made from  
 27 the Olympic Games trust fund, the obligation shall be satisfied

1 proportionately from the state and municipal or county revenue in  
2 the trust fund.

3 (1) Two years after the closing event of the games, the  
4 comptroller, at the direction of the department, shall transfer to  
5 the general revenue fund any money remaining in the Olympic Games  
6 trust fund, not to exceed the amount of state revenue remaining in  
7 the trust fund, plus any interest earned on that state revenue. The  
8 comptroller shall remit to each endorsing entity in proportion to  
9 the amount contributed by the entity any money remaining in the  
10 trust fund after the required amount is transferred to the general  
11 revenue fund.

12 SECTION 4. Sections 5A(a)(1) and (2), Chapter 1507 (S.B.  
13 456), Acts of the 76th Legislature, Regular Session, 1999 (Article  
14 [5190.14](#), Vernon's Texas Civil Statutes), are amended to read as  
15 follows:

16 (1) "Endorsing county" means:

17 (A) a county that contains a site selected by a  
18 site selection organization for one or more events; or

19 (B) a county that:

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

22 (ii) is included in the market area for the  
23 event as designated by the department ~~[comptroller]~~; and

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

26 (2) "Endorsing municipality" means:

27 (A) a municipality that contains a site selected

1 by a site selection organization for one or more events; or

2 (B) a municipality that:

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

5 (ii) is included in the market area for the  
6 event as designated by the department ~~[controller]~~; and

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

9 SECTION 5. Sections 5A(a-1), (a-2), (b), (b-1), (c), (d),  
10 (d-1), (f), (i), (j), (k), (m), (p), (v), (w), and (y), Chapter 1507  
11 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999  
12 (Article [5190.14](#), Vernon's Texas Civil Statutes), are amended to  
13 read as follows:

14 (a-1) An event not listed in Subsection (a)(4) of this  
15 section is ineligible for funding under this section. A listed  
16 event may receive funding under this section only if:

17 (1) a site selection organization selects a site  
18 located in this state for the event to be held one time or, for an  
19 event scheduled to be held each year for a period of years under an  
20 event contract, or an event support contract, one time each year for  
21 the period of years, after considering, through a highly  
22 competitive selection process, one or more sites that are not  
23 located in this state;

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

26 (A) the sole site for the event; or

27 (B) the sole site for the event in a region

1 composed of this state and one or more adjoining states;

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

4 (4) the amount of the incremental increase in tax  
5 receipts determined by the department ~~[comptroller]~~ under  
6 Subsection (b) of this section equals or exceeds \$1 million,  
7 provided that for an event scheduled to be held each year for a  
8 period of years under an event contract or event support contract,  
9 the incremental increase in tax receipts shall be calculated as if  
10 the event did not occur in the prior year.

11 (a-2) Subsection (a-1)(1) of this section does not apply to  
12 an event that is the largest event held each year at a sports  
13 entertainment venue in this state with a permanent seating  
14 capacity, including grandstand and premium seating, of not less  
15 than 125,000. If an endorsing municipality or endorsing county  
16 requests the department ~~[comptroller]~~ to make a determination under  
17 Subsection (b) of this section for an event described by this  
18 subsection, the provisions of this section apply to that event as if  
19 it satisfied the eligibility requirements for an event under  
20 Subsection (a-1)(1) of this section.

21 (b) If a site selection organization selects a site for an  
22 event in this state pursuant to an application by a local organizing  
23 committee, endorsing municipality, or endorsing county, upon  
24 request of a local organizing committee, endorsing municipality, or  
25 endorsing county, the department ~~[comptroller]~~ shall determine for  
26 a one-year period that begins two months before the date on which  
27 the event will begin, in accordance with procedures developed by

1 the department [~~comptroller~~]:

2           (1) the incremental increase in the receipts to the  
3 state from taxes imposed under Chapters 151, 152, 156, and 183, Tax  
4 Code, and under Title 5, Alcoholic Beverage Code, within the market  
5 areas designated under Subsection (c) of this section, that is  
6 directly attributable, as determined by the department  
7 [~~comptroller~~], to the preparation for and presentation of the event  
8 and related activities;

9           (2) the incremental increase in the receipts collected  
10 by the state on behalf of each endorsing municipality in the market  
11 area from the sales and use tax imposed by each endorsing  
12 municipality under Section 321.101(a), Tax Code, and the mixed  
13 beverage tax revenue to be received by each endorsing municipality  
14 under Section 183.051(b), Tax Code, that is directly attributable,  
15 as determined by the department [~~comptroller~~], to the preparation  
16 for and presentation of the event and related activities;

17           (3) the incremental increase in the receipts collected  
18 by the state on behalf of each endorsing county in the market area  
19 from the sales and use tax imposed by each endorsing county under  
20 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to  
21 be received by each endorsing county under Section 183.051(b), Tax  
22 Code, that is directly attributable, as determined by the  
23 department [~~comptroller~~], to the preparation for and presentation  
24 of the event and related activities;

25           (4) the incremental increase in the receipts collected  
26 by each endorsing municipality in the market area from the hotel  
27 occupancy tax imposed under Chapter 351, Tax Code, that is directly

1 attributable, as determined by the department [~~comptroller~~], to the  
2 preparation for and presentation of the event and related  
3 activities; and

4 (5) the incremental increase in the receipts collected  
5 by each endorsing county in the market area from the hotel occupancy  
6 tax imposed under Chapter 352, Tax Code, that is directly  
7 attributable, as determined by the department [~~comptroller~~], to the  
8 preparation for and presentation of the event and related  
9 activities.

10 (b-1) A request for a determination of the amount of  
11 incremental increase in tax receipts specified by Subsection (b) of  
12 this section must be submitted to the department [~~comptroller~~] not  
13 earlier than one year and not later than 45 days before the date the  
14 event begins. The department [~~comptroller~~] shall base the  
15 determination specified by Subsection (b) of this section on  
16 information submitted by the local organizing committee, endorsing  
17 municipality, or endorsing county, and must make the determination  
18 not later than the 30th day after the date the department  
19 [~~comptroller~~] receives the request and related information.

20 (c) For the purposes of Subsection (b)(1) of this section,  
21 the department [~~comptroller~~] shall designate as a market area for  
22 the event each area in which the department [~~comptroller~~]  
23 determines there is a reasonable likelihood of measurable economic  
24 impact directly attributable to the preparation for and  
25 presentation of the event and related activities, including areas  
26 likely to provide venues, accommodations, and services in  
27 connection with the event based on the proposal provided by the



1 local organizing committee to the department [~~comptroller~~]. The  
2 department [~~comptroller~~] shall determine the geographic boundaries  
3 of each market area. An endorsing municipality or endorsing county  
4 that has been selected as the site for the event must be included in  
5 a market area for the event.

6 (d) Each endorsing municipality or endorsing county shall  
7 remit to the comptroller and the comptroller shall deposit into a  
8 trust fund created by the comptroller and designated as the Major  
9 Events trust fund the amount of the municipality's or county's hotel  
10 occupancy tax revenue determined by the department under Subsection  
11 (b)(4) or (b)(5) of this section, less any amount of the revenue  
12 that the municipality or county determines is necessary to meet the  
13 obligations of the municipality or county. The comptroller, at the  
14 direction of the department, shall retain the amount of sales and  
15 use tax revenue and mixed beverage tax revenue determined by the  
16 department under Subsection (b)(2) or (b)(3) of this section from  
17 the amounts otherwise required to be sent to the municipality under  
18 Sections 321.502 and 183.051(b), Tax Code, or to the county under  
19 Sections 323.502 and 183.051(b), Tax Code, and deposit into the  
20 trust fund the tax revenues, less any amount of the revenue that the  
21 municipality or county determines is necessary to meet the  
22 obligations of the municipality or county. The comptroller shall  
23 begin retaining and depositing the local tax revenues with the  
24 first distribution of that tax revenue that occurs after the first  
25 day of the one-year period described by Subsection (b) of this  
26 section or at a time otherwise determined to be practicable by the  
27 department [~~comptroller~~] and shall discontinue retaining the local

1 tax revenues under this subsection when the amount of the  
 2 applicable tax revenue determined by the department under  
 3 Subsection (b)(2) or (b)(3) of this section has been retained. The  
 4 Major Events trust fund is established outside the state treasury  
 5 and is held in trust by the comptroller for administration of this  
 6 Act. Money in the trust fund may be disbursed by the department  
 7 ~~[comptroller]~~ without appropriation only as provided by this  
 8 section.

9 (d-1) Not later than the 90th day after the last day of an  
 10 event and in lieu of the local tax revenues remitted ~~[to]~~ or  
 11 retained ~~[by the comptroller]~~ under Subsection (d) of this section,  
 12 a municipality or county may remit to the comptroller for deposit in  
 13 the Major Events trust fund other local funds in an amount equal to  
 14 the total amount of local tax revenue determined by the department  
 15 under Subsections (b)(2) through (5) of this section. The amount  
 16 deposited by the comptroller into the Major Events trust fund under  
 17 this subsection is subject to Subsection (f) of this section.

18 (f) The comptroller, at the direction of the department,  
 19 shall deposit into the Major Events trust fund a portion of the  
 20 state tax revenue not to exceed the amount determined by the  
 21 department under Subsection (b)(1) of this section in an amount  
 22 equal to 6.25 times the amount of the local revenue retained or  
 23 remitted under this section, including:

- 24 (1) local sales and use tax revenue;
- 25 (2) mixed beverage tax revenue;
- 26 (3) hotel occupancy tax revenue; and
- 27 (4) surcharge and user fee revenue.

1 (i) A local organizing committee, endorsing municipality,  
2 or endorsing county shall provide information required by the  
3 department ~~[comptroller]~~ to enable the department ~~[comptroller]~~ to  
4 fulfill the department's ~~[comptroller's]~~ duties under this section,  
5 including annual audited statements of any financial records  
6 required by a site selection organization and data obtained by the  
7 local organizing committee, an endorsing municipality, or an  
8 endorsing county relating to attendance at the event, including an  
9 estimate of the number of people expected to attend the event who  
10 are not residents of this state, and to the economic impact of the  
11 event. A local organizing committee, endorsing municipality, or  
12 endorsing county must provide an annual audited financial statement  
13 required by the department ~~[comptroller]~~, if any, not later than  
14 the end of the fourth month after the date the period covered by the  
15 financial statement ends. After the conclusion of an event and on  
16 the department's ~~[comptroller's]~~ request, a local organizing  
17 committee, endorsing municipality, or endorsing county must  
18 provide information relating to the event, such as attendance  
19 figures, including an estimate of the number of attendees at the  
20 event who are not residents of this state, financial information,  
21 or other public information held by the local organizing committee,  
22 endorsing municipality, or endorsing county that the department  
23 ~~[comptroller]~~ considers necessary.

24 (j) Not later than the 30th day after the date a request of a  
25 local organizing committee, endorsing municipality, or endorsing  
26 county is submitted to the department ~~[comptroller]~~ under  
27 Subsection (b-1) of this section, the department ~~[comptroller]~~

1 shall provide an estimate of the total amount of tax revenue that  
 2 would be deposited in the Major Events trust fund under this section  
 3 in connection with that event, if the event were to be held in this  
 4 state at a site selected pursuant to an application by a local  
 5 organizing committee, endorsing municipality, or endorsing  
 6 county. A local organizing committee, endorsing municipality, or  
 7 endorsing county may submit the department's [~~comptroller's~~]  
 8 estimate to a site selection organization.

9 (k) The department [~~comptroller~~] may make a disbursement  
 10 from the Major Events trust fund on the prior approval of each  
 11 contributing endorsing municipality or endorsing county for a  
 12 purpose for which a local organizing committee, an endorsing  
 13 municipality, or an endorsing county or the state is obligated  
 14 under a game support contract or event support contract. If an  
 15 obligation is incurred under a games support contract or event  
 16 support contract to make a structural improvement to the site or to  
 17 add a fixture to the site for purposes of an event and that  
 18 improvement or fixture is expected to derive most of its value in  
 19 subsequent uses of the site for future events, a disbursement from  
 20 the trust fund made for purposes of that obligation is limited to  
 21 five percent of the cost of the improvement or fixture and the  
 22 remainder of the obligation is not eligible for a disbursement from  
 23 the trust fund, unless the improvement or fixture is for a publicly  
 24 owned facility. In considering whether to make a disbursement from  
 25 the trust fund, the department [~~comptroller~~] may not consider a  
 26 contingency clause in an event support contract as relieving a  
 27 local organizing committee's, endorsing municipality's, or

1 endorsing county's obligation to pay a cost under the contract. A  
2 disbursement may not be made from the trust fund that the department  
3 ~~[comptroller]~~ determines would be used for the purpose of  
4 soliciting the relocation of a professional sports franchise  
5 located in this state.

6 (m) On payment of all state, municipal, or county  
7 obligations under a game support contract or event support contract  
8 related to the location of any particular event in the state, the  
9 comptroller, at the direction of the department, shall remit to  
10 each endorsing entity, in proportion to the amount contributed by  
11 the entity, any money remaining in the trust fund.

12 (p) The department ~~[comptroller]~~ may not undertake any of  
13 the responsibilities or duties set forth in this section unless:

14 (1) a request is submitted by the municipality or the  
15 county in which the event will be located;

16 (2) the event meets all the requirements for funding  
17 under this section, including Subsection (a-1) of this section; and

18 (3) the request is accompanied by documentation from a  
19 site selection organization selecting the site for the event.

20 (v) The department ~~[comptroller]~~ may adopt rules necessary  
21 to implement this section.

22 (w) Not later than 10 months after the last day of an event  
23 eligible for disbursements from the Major Events trust fund for  
24 costs associated with the event, the department ~~[comptroller]~~ using  
25 existing resources shall complete a study in the market area of  
26 the event on the measurable economic impact directly attributable  
27 to the preparation for and presentation of the event and related

activities. The department ~~[comptroller]~~ shall post on the department's ~~[comptroller's]~~ Internet website:

(1) the results of the study conducted under this subsection, including any source documentation or other information relied on by the department ~~[comptroller]~~ for the study;

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

(3) the site selection organization documentation described in Subsection (p)(3) of this section;

(4) any source documentation or information described under Subsection (i) of this section that was relied on by the department ~~[comptroller]~~ in making the determination of the amount of incremental increase in tax receipts under Subsection (b) of this section; and

(5) documentation verifying that:

(A) a request submitted by a local organizing committee, endorsing municipality, or endorsing county under Subsection (p) of this section is complete and certified as such by the department ~~[comptroller]~~;

(B) the determination on the amount of incremental increases in tax receipts under Subsection (b) of this section considered the information submitted by a local organizing committee, endorsing municipality, or endorsing county as required under Subsection (b-1) of this section; and

(C) each deadline established under this section

was timely met.

(y) After the conclusion of an event, the department ~~[comptroller]~~ shall compare information on the actual attendance figures provided to the department ~~[comptroller]~~ under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the department ~~[comptroller]~~ may reduce the amount of a disbursement for an endorsing entity under the Major Events trust fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The department ~~[comptroller]~~ by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 6. Sections 5B(b), (c), (d), (f), (i), (j), (k), (m), and (o), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article [5190.14](#), Vernon's Texas Civil Statutes), are amended to read as follows:

(b) If a site selection organization selects a site for a motor sports racing event in this state pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county, not later than three months before the date of the motor sports racing event, the department ~~[comptroller]~~ shall

determine for the 30-day period that ends at the end of the day after the date on which the racing event will be held, in accordance with procedures developed by the department ~~[comptroller]~~:

(1) the incremental increase in the receipts to the state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department ~~[comptroller]~~, to the preparation for and presentation of the racing event;

(2) the incremental increase in the receipts collected by the state on behalf of 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, that is directly attributable, as determined by the department ~~[comptroller]~~, to the preparation for and presentation of the racing event;

(3) the incremental increase in the receipts collected by the state on behalf of 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, that is directly attributable, as determined by the department ~~[comptroller]~~, to the preparation for and presentation of the racing event;

(4) the incremental increase in the receipts collected



1 by each endorsing municipality in the market area from the hotel  
2 occupancy tax imposed under Chapter 351, Tax Code, that is directly  
3 attributable, as determined by the department ~~[comptroller]~~, to the  
4 preparation for and presentation of the racing event; and

5 (5) the incremental increase in the receipts collected  
6 by each endorsing county in the market area from the hotel occupancy  
7 tax imposed under Chapter 352, Tax Code, that is directly  
8 attributable, as determined by the department ~~[comptroller]~~, to the  
9 preparation for and presentation of the racing event.

10 (c) For the purposes of Subsection (b)(1) of this section,  
11 the department ~~[comptroller]~~ shall designate as a market area for  
12 the motor sports racing event each area in which the department  
13 ~~[comptroller]~~ determines there is a reasonable likelihood of  
14 measurable economic impact directly attributable to the  
15 preparation for and presentation of the racing event, including  
16 areas likely to provide venues, accommodations, and services in  
17 connection with the racing event based on a proposal or other  
18 information provided by an endorsing municipality, endorsing  
19 county, or local organizing committee to the department  
20 ~~[comptroller]~~. The department ~~[comptroller]~~ shall determine the  
21 geographic boundaries of each market area. An endorsing  
22 municipality or endorsing county that has been selected as the site  
23 for the racing event must be included in a market area for the  
24 racing event.

25 (d) Each endorsing municipality or endorsing county shall  
26 remit to the comptroller and the comptroller shall deposit into a  
27 trust fund created by the comptroller and designated as the Motor

1 Sports Racing trust fund for the particular event the amount of the  
2 municipality's or county's hotel occupancy tax revenue determined  
3 by the department under Subsection (b)(4) or (5) of this section,  
4 less any amount of the revenue that the municipality or county  
5 determines is necessary to meet the obligations of the municipality  
6 or county. The comptroller, at the direction of the department,  
7 shall retain the amount of sales and use tax revenue and mixed  
8 beverage tax revenue determined by the department under Subsection  
9 (b)(2) or (3) of this section from the amounts otherwise required to  
10 be sent to the municipality under Sections 321.502 and 183.051(b),  
11 Tax Code, or to the county under Sections 323.502 and 183.051(b),  
12 Tax Code, and deposit into the trust fund the tax revenues, less any  
13 amount of the revenue that the municipality or county determines is  
14 necessary to meet the obligations of the municipality or county.  
15 The comptroller shall begin retaining and depositing the local tax  
16 revenues with the first distribution of that tax revenue that  
17 occurs after the first day of the 30-day period described by  
18 Subsection (b) of this section and shall discontinue retaining the  
19 local tax revenues under this subsection when the amount of the  
20 applicable tax revenue determined under Subsection (b)(2) or (3) of  
21 this section has been retained. The Motor Sports Racing trust fund  
22 is established outside the state treasury and is held in trust by  
23 the comptroller for administration of this section. Money in the  
24 trust fund may be disbursed by the department ~~[comptroller]~~ without  
25 appropriation only as provided by this section.

26 (f) The comptroller, at the direction of the department,  
27 shall deposit a portion of the state tax revenue determined by the

department 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.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department ~~[comptroller]~~ to enable the department ~~[comptroller]~~ to fulfill the department's ~~[comptroller's]~~ duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the motor sports racing event and to the economic impact of the racing event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the department ~~[comptroller]~~, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends.

(j) The department ~~[comptroller]~~ shall 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 deposited in 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. The department ~~[comptroller]~~ shall provide the estimate on request

to a local organizing committee, endorsing municipality, or endorsing county. A local organizing committee, endorsing municipality, or endorsing county may submit the department's ~~[comptroller's]~~ estimate to a site selection organization.

(k) The department ~~[comptroller]~~ may make a disbursement from the Motor Sports Racing trust fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which an endorsing municipality or endorsing county or the state is obligated under a motor sports racing event support contract or event support contract. A disbursement may not be made from the trust fund that the department ~~[comptroller]~~ determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(m) On payment of all state, municipal, or county obligations under a motor sports racing support contract or event support contract related to the location of any particular racing event in the state, the comptroller, at the direction of the department, shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the trust fund.

(o) The department ~~[comptroller]~~ may not undertake any of the responsibilities or duties set forth in this section unless a request is submitted by the municipality and the county in which the motor sports racing event will be held. The request must be accompanied by documentation from a site selection organization selecting the site for the racing event.

SECTION 7. Sections 5C(b), (b-1), (c), (c-1), (d), (d-1),

(f), (i), (j), (k), (k-1), (m), (o), (p), (q), (r), and (t), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) If a site selection organization selects a site for an event in this state pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county, not later than three months before the date of the event, the department ~~[comptroller]~~ shall determine 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 occurs on more than one day, after the last date on which the event will be held, in accordance with procedures developed by the department ~~[comptroller]~~:

(1) the incremental increase in the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the department ~~[comptroller]~~, to the preparation for and presentation of the event and related activities;

(2) the incremental increase in the receipts collected by this state on behalf of 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, that is directly attributable, as determined by the department ~~[comptroller]~~, to the preparation

1 for and presentation of the event and related activities;

2 (3) the incremental increase in the receipts collected  
3 by this state on behalf of each endorsing county in the market area  
4 from the sales and use tax imposed by each endorsing county under  
5 Section 323.101(a), Tax Code, and the mixed beverage tax revenue to  
6 be received by each endorsing county under Section 183.051(b), Tax  
7 Code, that is directly attributable, as determined by the  
8 department ~~[comptroller]~~, to the preparation for and presentation  
9 of the event and related activities;

10 (4) the incremental increase in the receipts collected  
11 by each endorsing municipality in the market area from the hotel  
12 occupancy tax imposed under Chapter 351, Tax Code, that is directly  
13 attributable, as determined by the department ~~[comptroller]~~, to the  
14 preparation for and presentation of the event and related  
15 activities; and

16 (5) the incremental increase in the receipts collected  
17 by each endorsing county in the market area from the hotel occupancy  
18 tax imposed under Chapter 352, Tax Code, that is directly  
19 attributable, as determined by the department ~~[comptroller]~~, to the  
20 preparation for and presentation of the event and related  
21 activities.

22 (b-1) The number of requests for funding under this section  
23 that may be submitted by an endorsing county or endorsing  
24 municipality during any 12-month period for an event for which the  
25 department ~~[comptroller]~~ determines that the total amount of the  
26 incremental increase in tax receipts under Subsection (b) of this  
27 section is less than \$200,000 is limited to, during any 12-month

1 period, not more than 10 events, only three of which may be  
2 nonsporting events.

3 (c) For the purposes of Subsection (b)(1) of this section,  
4 the department [~~comptroller~~] shall designate as a market area for  
5 the event each area in which the department [~~comptroller~~]  
6 determines there is a reasonable likelihood of measurable economic  
7 impact directly attributable to the preparation for and  
8 presentation of the event and related activities, including areas  
9 likely to provide venues, accommodations, and services in  
10 connection with the event based on the proposal provided by the  
11 local organizing committee to the department [~~comptroller~~]. The  
12 department [~~comptroller~~] shall determine the geographic boundaries  
13 of each market area. An endorsing municipality or endorsing county  
14 that has been selected as the site for the event must be included in  
15 a market area for the event.

16 (c-1) The department [~~comptroller~~] shall base the  
17 determination specified by Subsection (b) of this section on  
18 information submitted by the local organizing committee, endorsing  
19 municipality, or endorsing county, and must make the determination  
20 not later than the 30th day after the date the department  
21 [~~comptroller~~] receives the information.

22 (d) Each endorsing municipality or endorsing county shall  
23 remit to the comptroller and the comptroller shall deposit into a  
24 trust fund created by the comptroller and designated as the Events  
25 trust fund the amount of the municipality's or county's hotel  
26 occupancy tax revenue determined by the department under Subsection  
27 (b)(4) or (5) of this section, less any amount of the revenue that

1 the municipality or county determines is necessary to meet the  
2 obligations of the municipality or county. The comptroller, at the  
3 direction of the department, shall retain the amount of sales and  
4 use tax revenue and mixed beverage tax revenue determined by the  
5 department under Subsection (b)(2) or (3) of this section from the  
6 amounts otherwise required to be sent to the municipality under  
7 Sections 321.502 and 183.051(b), Tax Code, or to the county under  
8 Sections 323.502 and 183.051(b), Tax Code, and deposit into the  
9 trust fund the tax revenues, less any amount of the revenue that the  
10 municipality or county determines is necessary to meet the  
11 obligations of the municipality or county. The comptroller shall  
12 begin retaining and depositing the local tax revenues with the  
13 first distribution of that tax revenue that occurs after the first  
14 day of the period described by Subsection (b) of this section or at  
15 a time otherwise determined to be practicable by the department  
16 ~~[comptroller]~~ and shall discontinue retaining the local tax  
17 revenues under this subsection when the amount of the applicable  
18 tax revenue determined by the department under Subsection (b)(2) or  
19 (3) of this section has been retained. The Events trust fund is  
20 established outside the state treasury and is held in trust by the  
21 comptroller for administration of this section. Money in the trust  
22 fund may be disbursed by the department ~~[comptroller]~~ without  
23 appropriation only as provided by this section.

24 (d-1) Not later than the 90th day after the last day of an  
25 event and in lieu of the local tax revenues remitted ~~[to]~~ or  
26 retained ~~[by the comptroller]~~ under Subsection (d) of this section,  
27 a municipality or county may remit to the comptroller for deposit in



the Events trust fund other local funds in an amount equal to the total amount of local tax revenue determined by the department under Subsections (b)(2) through (5) of this section. The amount deposited ~~[by the comptroller]~~ into the Events trust fund under this subsection is subject to Subsection (f) of this section.

(f) The comptroller, at the direction of the department, shall deposit into the Events trust fund a portion of the state tax revenue not to exceed the amount determined by the department 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:

- (1) local sales and use tax revenue;
- (2) mixed beverage tax revenue;
- (3) hotel occupancy tax revenue; and
- (4) surcharge and user fee revenue.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department ~~[comptroller]~~ to enable the department ~~[comptroller]~~ to fulfill the department's ~~[comptroller's]~~ duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to 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 to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement

1 required by the department [~~comptroller~~], if any, not later than  
2 the end of the fourth month after the date the period covered by the  
3 financial statement ends. After the conclusion of an event and on  
4 the department's [~~comptroller's~~] request, a local organizing  
5 committee, endorsing municipality, or endorsing county must  
6 provide information relating to the event, such as attendance  
7 figures, including an estimate of the number of people who are not  
8 residents of this state who attended the event, financial  
9 information, or other public information held by the local  
10 organizing committee, endorsing municipality, or endorsing county  
11 that the department [~~comptroller~~] considers necessary.

12 (j) The department [~~comptroller~~] shall provide an estimate  
13 not later than three months before the date of an event of the total  
14 amount of tax revenue that would be deposited in the Events trust  
15 fund under this section in connection with that event, if the event  
16 were to be held in this state at a site selected pursuant to an  
17 application by a local organizing committee, endorsing  
18 municipality, or endorsing county. The department [~~comptroller~~]  
19 shall provide the estimate on request to a local organizing  
20 committee, endorsing municipality, or endorsing county. A local  
21 organizing committee, endorsing municipality, or endorsing county  
22 may submit the department's [~~comptroller's~~] estimate to a site  
23 selection organization.

24 (k) The department [~~comptroller~~] may make a disbursement  
25 from the Events trust fund on the prior approval of each  
26 contributing endorsing municipality or endorsing county for a  
27 purpose for which a local organizing committee, an endorsing

1 municipality, or an endorsing county or this state is obligated  
 2 under an event support contract, including an obligation to pay  
 3 costs incurred in the conduct of the event and costs incurred in  
 4 making preparations necessary for the event. If an obligation is  
 5 incurred under an event support contract to make a structural  
 6 improvement to the site or to add a fixture to the site for purposes  
 7 of an event and that improvement or fixture is expected to derive  
 8 most of its value in subsequent uses of the site for future events,  
 9 a disbursement from the trust fund made for purposes of that  
 10 obligation is limited to five percent of the cost of the improvement  
 11 or fixture and the remainder of the obligation is not eligible for a  
 12 disbursement from the trust fund, unless the improvement or fixture  
 13 is for a publicly owned facility. In considering whether to make a  
 14 disbursement from the trust fund, the department [~~comptroller~~] may  
 15 not consider a contingency clause in an event support contract as  
 16 relieving a local organizing committee's, endorsing  
 17 municipality's, or endorsing county's obligation to pay a cost  
 18 under the contract.

19 (k-1) A disbursement may not be made from the trust fund  
 20 that the department [~~comptroller~~] determines would be used for the  
 21 purpose of:

22 (1) soliciting the relocation of a professional sports  
 23 franchise located in this state;

24 (2) constructing an arena, stadium, or convention  
 25 center; or

26 (3) conducting usual and customary maintenance of a  
 27 facility.

1 (m) On payment of all state, municipal, or county  
2 obligations under an event support contract related to the location  
3 of any particular event in this state, the comptroller, at the  
4 direction of the department, shall remit to each endorsing entity,  
5 in proportion to the amount contributed by the entity, any money  
6 remaining in the Events trust fund.

7 (o) The department [~~comptroller~~] may not undertake any of  
8 the responsibilities or duties set forth in this section unless a  
9 request is submitted by the municipality or the county in which the  
10 event will be located. The request must be accompanied by  
11 documentation from a site selection organization selecting the site  
12 for the event.

13 (p) The department [~~comptroller~~] may adopt rules necessary  
14 to implement this section.

15 (q) In determining the amount of state revenue available  
16 under Subsection (b)(1) of this section, the department  
17 [~~comptroller~~] may consider whether:

18 (1) the event has been held in this state on previous  
19 occasions; and

20 (2) changes to the character of the event could affect  
21 the incremental increase in receipts collected and remitted to the  
22 state by an endorsing county or endorsing municipality under that  
23 subsection.

24 (r) The department [~~comptroller~~] may adopt a model event  
25 support contract and make the contract available on the  
26 department's [~~comptroller's~~] Internet website. The adoption by  
27 the department [~~comptroller~~] of a model event support contract

under this subsection does not require use of the model event support contract for purposes of this section.

(t) After the conclusion of an event, the department ~~[comptroller]~~ shall compare information on the actual attendance figures provided to the department ~~[comptroller]~~ under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the department ~~[comptroller]~~ may reduce the amount of a disbursement for an endorsing entity under the Events trust fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The department ~~[comptroller]~~ by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 8. Section 6(b), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article [5190.14](#), Vernon's Texas Civil Statutes), is amended to read as follows:

(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 Olympic Games trust fund under Section 5 of this Act is not approved by a majority of the voters voting in the election:

1           (1) the comptroller may not establish the Olympic  
2 Games trust fund under Section 5 of this Act, may not retain the  
3 municipality's or county's tax revenue under Section 5(d) of this  
4 Act from amounts otherwise required to be sent to that municipality  
5 or county, and may not deposit any state tax revenue into the trust  
6 fund;

7           (2) the department [~~comptroller~~] is not required to  
8 determine the incremental increase in state, county, or municipal  
9 tax revenue under Section 5(b) of this Act; and

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

13          SECTION 9. The following laws are repealed:

14           (1) Section 5C(s), Chapter 1507 (S.B. 456), Acts of  
15 the 76th Legislature, Regular Session, 1999 (Article [5190.14](#),  
16 Vernon's Texas Civil Statutes); and

17           (2) Chapter 398, Local Government Code.

18          SECTION 10. As soon as is practicable after the effective  
19 date of this Act, but not later than September 10, 2015, the office  
20 of the governor and the comptroller of public accounts shall  
21 develop and adopt a memorandum of understanding that:

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

25           (2) establishes a plan for the identification and  
26 transfer of records, property, and unspent appropriations of the  
27 comptroller that are used for purposes of managing the funds

transferred to the office of the governor.

SECTION 11. (a) Not later than September 10, 2015:

(1) the administration of the Pan American Games trust fund, Olympic Games trust fund, Major Events trust fund, Motor Sports Racing trust fund, and Events trust fund for sporting and non-sporting events shall be transferred from the comptroller of public accounts to the Texas Economic Development and Tourism Office;

(2) all rules, forms, policies, procedures, or decisions of the comptroller that are related to the Pan American Games trust fund, Olympic Games trust fund, Major Events trust fund, Motor Sports Racing trust fund, and Events trust 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 the Texas Economic Development and Tourism Office; and

(3) a reference in law or administrative rule to the comptroller relating to the decisions for and administration of the Pan American Games trust fund, Olympic Games trust fund, Major Events trust fund, Motor Sports Racing trust fund, and Events trust fund for sporting and non-sporting events, other than a duty typically performed by the comptroller related to a state fund, means the Texas Economic Development and Tourism Office.

(b) Before the transfer of the administration of the Pan American Games trust fund, Olympic Games trust fund, Major Events trust fund, Motor Sports Racing trust fund, and Events trust fund

1 for sporting and non-sporting events, the comptroller and the Texas  
2 Economic Development and Tourism Office shall coordinate the  
3 transfer of powers and duties, including records and other items,  
4 in accordance with the memorandum of understanding adopted under  
5 Section 10 of this Act, to ensure a smooth transition.

6       SECTION 12. Notwithstanding the repeal by this Act of  
7 Chapter 398, Local Government Code, a special event plan approved  
8 under former Chapter 398 of that code before September 1, 2015, is  
9 governed by the law as it existed immediately before the effective  
10 date of this Act, and that law is continued in effect for that  
11 purpose.

12       SECTION 13. This Act takes effect September 1, 2015.