Art. 5190.14. PAN AMERICAN GAMES; OLYMPIC GAMES.

Sec. 1. DEFINITIONS. In this Act:

(1) "Department" means the Economic Development and Tourism Division, Office of the Governor.

(1-a) "Endorsing county" means an endorsing county for purposes of Section 5, 5A, 5B, or 5C of this Act.

(2) "Endorsing municipality" means an endorsing municipality for purposes of Section 4, 5, 5A, 5B, or 5C of this Act.

(2-a) "Event" means a game or event as defined by Section 5A, 5B, or 5C of this Act.

Text of subd. (3) as amended by Acts 2003, 78th Leg., ch. 579, Sec. 1

(3) "Games" means the 2011 Pan American Games or the 2012 Olympic Games.

Text of subd. (3) as amended by Acts 2003, 78th Leg., ch. 814, Sec. 5.01

(3) "Games" means the Pan American Games, the Olympic Games, the Super Bowl, the National Collegiate Athletic Association Final Four, the National Basketball Association All-Star Game, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, the National Collegiate Athletic Association Bowl Championship Series Games, the World Cup Soccer Games, or the World Games. The term includes the events and activities related to the games.

(4) "Games support contract" means a joinder undertaking, a joinder agreement, or a similar contract executed by the department and containing terms permitted or required by this Act.
(5) "Joinder agreement" means an agreement entered into by:

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

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

(6) "Joinder undertaking" means an agreement entered into by:

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

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

(7) "Local organizing committee" means a nonprofit corporation or its successor in interest that:

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

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

(8) "Site selection organization" means a site selection organization as defined by Sections 5, 5A, and 5C of this Act.

Sec. 2. PURPOSE. The purpose of this Act is to provide assurances required by a site selection organization sponsoring a sporting or non-sporting game or event and to provide financing for the costs of:

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

(2) making the preparations necessary and desirable for the conduct of a game or event in this state, including the construction or renovation of facilities to the extent authorized by this Act; and

(3) conducting a game or event in this state.

Sec. 3. LEGISLATIVE FINDINGS. The conduct in this state of one or more games or events will:

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

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

(3) provide opportunities for the creation of jobs by local and Texas businesses that pay a living wage.

Sec. 3A. RULES. The office of the governor shall adopt rules consistent with this Act to ensure efficient administration of the trust funds established under this Act, including rules related to application and receipt requirements.

Sec. 4. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; PAN AMERICAN GAMES TRUST FUND. (a) In this section:

Text of subd. (1) as amended by Acts 2003, 78th Leg., ch. 579, Sec. 3

(1) "Games" means the 2011 Pan American Games.
(1) "Games" means the Pan American Games.

(2) "Site selection organization" means the United States Olympic Committee or the Pan American Sports Organization.

(3) "Endorsing municipality" means a municipality that has a population of 850,000 or more and that authorizes a bid by a local organizing committee for selection of the municipality as the site of the games.

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

(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, 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), Tax Code, that is directly attributable, as determined by the department, 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, Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the games and related events.

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

(d) The comptroller, at the direction of the department, shall 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, Tax Code, beginning with the first distribution of that tax revenue that occurs after the date the department makes the determination of the amount of municipal sales and use tax revenue under Subsection (b)(2). The comptroller shall discontinue retaining municipal sales and use 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 municipal sales and use tax revenue and municipal hotel occupancy tax revenue in 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 trust fund under Subsection (m) of this section.

(e) In addition to municipal sales and use tax revenue retained under Subsection (d) of this section, an endorsing municipality may guarantee its obligations under a games support contract and this Act by pledging surcharges from user fees, including parking or ticket fees, charged in connection with presentation of the games.

(f) Subject to Subsection (m) of this section, the
comptroller, at the direction of the department, shall deposit into a trust fund designated as the Pan American Games trust fund the amount of municipal sales and use tax revenue retained under Subsection (d) of this section and, at the same time, shall transfer to the fund 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 that municipal sales and use tax revenue. Subject to Subsection (m) of this section, the endorsing municipality shall deposit into the trust fund the amount of the endorsing municipality's hotel occupancy tax revenue determined by the department under Subsection (b)(3) of this section. The endorsing municipality shall deposit that hotel occupancy tax revenue into the trust fund at least quarterly. When the endorsing municipality makes a deposit of its hotel occupancy tax revenue, the comptroller, at the direction of the department, shall transfer to the fund 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. 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. Money in the trust fund may be spent by the department without appropriation only as provided by this Act. The comptroller shall discontinue transferring into the trust fund any 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 on which the amount of state revenue in 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 trust fund under Subsection (m) of this section.

(g) The department may use the funds in 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 the department or the endorsing municipality to a site selection organization.
(h) A local organizing committee shall provide information required by the department to enable the department to fulfill the department'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 impact of the games. A local organizing committee must provide an annual audited financial statement required by the department not later than the end of the fourth month after the date the period covered by the financial statement ends.

(i) The department shall provide an estimate not later than September 1 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 trust fund before January 1 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 shall provide the estimate on request to a local organizing committee. A local organizing committee may submit the department's estimate to a site selection organization.

(j) The department may not make a disbursement from the Pan American Games trust fund unless the department 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 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 transferred 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.

(l) On January 1 of the second year following the year in which the games are held in this state, the comptroller, at the
direction of the 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.

(m) In no event may:

(1) the total amount of state and municipal tax revenue transferred to or deposited in 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 trust fund and interest earned on the fund.

Sec. 5. GUARANTEE OF STATE AND MUNICIPAL OBLIGATIONS; OLYMPIC GAMES TRUST FUND. (a) In this section:

(1) "Games" means the Olympic Games.

(2) "Site selection organization" means the United States Olympic Committee or the International Olympic Committee.

(3) "Endorsing county" means a county in which there is located all or part of a municipality that has a population of 850,000 or more, or a county adjacent to such a county.

(4) "Endorsing municipality" has the meaning assigned by Section 4 of this Act.

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

(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, 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, 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 attributable, as determined by the department, to the preparation for and presentation of the games and related events;

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

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

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

(d) Subject to Section 6 of this Act, the comptroller, at 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 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 transferred to or deposited in the trust fund under Subsection (m) of this section.

(e) In addition to sales and use tax revenue and mixed beverage tax revenue retained under Subsection (d) of this section and hotel occupancy tax revenue retained under Subsection (f) of this section, an endorsing municipality or endorsing county may guarantee its obligations under a games support contract and this Act by pledging surcharges from user fees, including parking or ticket fees, charged in connection with presentation of the games.

(f) Subject to Subsection (m) of this section, each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller, at the direction of the
department, 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, shall transfer to the fund 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 transfer 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 transferred to or deposited in the trust fund under Subsection (m) of this section.

(g) The department may use the funds in 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 the department or the municipality or county to a site selection organization.

(h) A local organizing committee shall provide information required by the department to enable the department to fulfill the department'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 impact of the games. A local organizing committee
must provide an annual audited financial statement required by the
department not later than the end of the fourth month after the date
the period covered by the financial statement ends.

(i) The department shall 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 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. The department shall provide the estimate on request to
a local organizing committee. A local organizing committee may
submit the department's estimate to a site selection organization.

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

(k) If the department certifies under Subsection (j) of this
section that a disbursement may be made from the Olympic Games trust
fund, the obligation shall be satisfied proportionately from the
state and municipal or county revenue in the trust fund.

(l) Two years after the closing event of the games, the
department shall transfer to the general revenue fund any money
remaining in the Olympic 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 department shall remit to each
endorsing entity in proportion to the amount contributed by the
entity any money remaining in the trust fund after the required
amount is transferred to the general revenue fund.

(m) In no event may:

(1) the total amount of state, municipal, and county
tax revenue transferred to or deposited in 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 trust fund and interest earned on the fund.

Sec. 5A. PAYMENT OF STATE AND MUNICIPAL OR COUNTY OBLIGATIONS UNDER MAJOR EVENTS REIMBURSEMENT PROGRAM. (a) In this section:

(1) "Endorsing county" means:

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

(B) a county that:

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

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

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

(2) "Endorsing municipality" means:

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

(B) a municipality that:

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

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

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

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

(4) "Event" means a Super Bowl, a National Collegiate
Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the X Games, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a game of the National Collegiate Athletic Association Bowl Championship Series or its successor or a National Collegiate Athletic Association Division I Football Bowl Subdivision postseason playoff or championship game, a Big 12 Football Conference Championship game, the National Collegiate Athletic Association men's or women's lacrosse championships, a World Cup Soccer game, the World Cup soccer tournament, the Major League Soccer All-Star Game, the Major League Soccer Cup, the Professional Rodeo Cowboys Association National Finals Rodeo, an Elite Rodeo Association World Championship, the United States Open Championship, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, the Amateur Athletic Union Junior Olympic Games, a mixed martial arts championship, a World Wrestling Entertainment WrestleMania event, the Breeders' Cup World Championships, a Formula One automobile race, the Moto Grand Prix of the United States, the National Association for Stock Car Auto Racing (NASCAR) All-Star Race, the season-ending Championship Race for the National Association for Stock Car Auto Racing (NASCAR), the Academy of Country Music Awards, the National Cutting Horse Association Triple Crown, a championship event in the National Reined Cow Horse Association (NRCHA) Championship Series, a CONVRG conference, a national political convention of the Republican National Committee or the Democratic National Committee, a presidential general election debate, or the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. The term includes any activities related to or associated with an event.

(5) "Site selection organization" means:
(A) the National Football League, the National Collegiate Athletic Association, the Big 12 Conference, the National Basketball Association, ESPN or an affiliate, the National Hockey League, Major League Baseball, the Federation Internationale de Football Association (FIFA), the International World Games Association, the National Association for Stock Car Auto Racing (NASCAR), Dorna Sports, the Amateur Athletic Union, the Professional Rodeo Cowboys Association, the Elite Rodeo Association, Major League Soccer, the United States Golf Association, or the United States Olympic Committee;

(B) the national governing body of a sport that is recognized by the United States Olympic Committee, the National Thoroughbred Racing Association, Formula One Management Limited, or the Federation Internationale de l'Automobile;

(C) the Academy of Country Music;

(D) the National Cutting Horse Association;

(E) the National Reined Cow Horse Association (NRCHA);

(F) Encore Live;

(G) the Republican National Committee or the Democratic National Committee;

(H) the Ultimate Fighting Championship;

(I) World Wrestling Entertainment; or

(J) the Commission on Presidential Debates.

(a-1) An event not listed in Subsection (a)(4) of this section is ineligible for funding under this section. A listed event may receive funding through the Major Events Reimbursement Program under this section only if:

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

(2) a site selection organization selects a site in this state as:
(A) the sole site for the event; or
(B) the sole site for the event in a region composed of this state and one or more adjoining states;
(3) the event is held not more than one time in any year;
(4) the amount of the incremental increase in tax receipts determined by the department under Subsection (b) of this section equals or exceeds $1 million, provided that for an event scheduled to be held each year for a period of years under an event contract or event support contract, the incremental increase in tax receipts shall be calculated as if the event did not occur in the prior year; and
(5) not later than the 30th day before the first day of the event, a site selection organization submits a plan to prevent the trafficking of persons in connection with the event to the office of the attorney general and the chief of the Texas Division of Emergency Management.

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

(a-3) For purposes of Subsection (a-1) of this section, each presidential general election debate in a series of presidential debates before a general election is considered a separate, single event.

(a-4) The office of the attorney general may:
(1) distribute the plan required under Subsection (a-1)(5) of this section to appropriate law enforcement agencies and to the office of the governor; and
(2) publish the plan on the office's Internet website.

(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, upon request of a local organizing committee, endorsing municipality, or endorsing county, the department shall determine for a one-year period that begins two months before the date on which the event will begin, in accordance with procedures developed by the department:

(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, to the preparation for and presentation of the event and related activities;

(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, to the preparation for and presentation of the event and related activities;

(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, to the preparation for and presentation of the event and related activities;

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

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

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

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

(d) Each endorsing municipality or endorsing county participating in the Major Events Reimbursement Program shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the department, and designated as the Major Events reimbursement program fund 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, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the
department 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 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. The comptroller shall 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 the department and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined by the department under Subsection (b)(2) or (b)(3) of this section has been retained. The Major Events reimbursement program fund is established outside the state treasury and is held in trust by the comptroller for administration of this Act. Money in the fund may be disbursed by the department without appropriation only as provided by this section.

(d-1) Not later than the 90th day after the last day of an event eligible for funding under the Major Events Reimbursement Program and in lieu of the local tax revenues remitted or retained under Subsection (d) of this section, a municipality or county may remit to the department for deposit in the Major Events reimbursement program 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 department into the Major Events reimbursement program fund under this subsection is subject to Subsection (f) of this section.

(e) In addition to the tax revenue deposited in the Major Events reimbursement program fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the event. An endorsing municipality or endorsing county may collect and remit to the
department surcharges and user fees attributable to the event for deposit into the Major Events reimbursement program fund.

(f) The comptroller, at the direction of the department, shall transfer into the Major Events reimbursement program 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 the prevailing state sales tax rate times the amount of the local 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.

(g) To meet its obligations under a game support contract or event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes. An endorsing municipality or endorsing county may provide that the notes be paid from and secured by amounts on deposit or amounts to be deposited into the Major Events reimbursement program fund or surcharges from user fees, including parking or ticket fees, charged in connection with the event. Any note issued must mature not later than seven years from its date of issuance.

(h) The funds in the Major Events reimbursement program fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of the state or an endorsing municipality or endorsing county to a site selection organization under a game support contract or event support contract. Subject to Subsection (k) of this section, the obligations may include the payment of costs relating to the preparations necessary or desirable for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.
(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department to enable the department to fulfill the department'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 required by the department, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the department's request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance figures, including an estimate of the number of attendees at the event who are not residents of this state, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the department considers necessary.

(j) Not later than the 30th day after the date a request of a local organizing committee, endorsing municipality, or endorsing county is submitted to the department under Subsection (b-1) of this section, the department shall provide an estimate of the total amount of tax revenue that would be deposited in the Major Events reimbursement program 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. A local organizing committee, endorsing municipality, or endorsing county may submit the department's estimate to a site selection organization.

(k) The department may make a disbursement from the Major Events reimbursement program fund on the prior approval of each contributing endorsing municipality or endorsing county for a
purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or the state is obligated under a game support contract or event support contract. If an obligation is incurred under a games support contract or event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the fund, unless the improvement or fixture is for a publicly owned facility. In considering whether to make a disbursement from the fund, the department may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract. A disbursement may not be made from the fund that the department determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(1) If a disbursement is made from the Major Events reimbursement program fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the fund.

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

(n) Expired.

(o) This section may not be construed as creating or requiring a state guarantee of obligations imposed on the state or an endorsing municipality or endorsing county under an event support contract or other agreement relating to hosting one or more events in this state.

(p) The department may not undertake any of the
responsibilities or duties set forth in this section unless:

(1) a request is submitted by the municipality or the county in which the event will be located;
(2) the event meets all the requirements for funding under this section, including Subsection (a-1) of this section; and
(3) the request is accompanied by documentation from a site selection organization selecting the site for the event.

(q) Expired.
(r) Expired.
(s) Expired.
(t) Expired.
(u) Expired.
(v) The department may adopt rules necessary to implement this section.

(w) Not later than 10 months after the last day of an event eligible for disbursements from the Major Events reimbursement program fund for costs associated with the event, the department using existing resources shall complete a study in the market area of the event on the measurable economic impact directly attributable to the preparation for and presentation of the event and related activities. The department shall post on the department'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 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 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;

(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.

(x) Subsection (w) of this section does not require disclosure of information that is confidential under Chapter 552, Government Code, or confidential or privileged under other law.

(y) After the conclusion of an event, the department shall compare information on the actual attendance figures provided to the department 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 may reduce the amount of a disbursement for an endorsing entity under the Major Events reimbursement program 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 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.

Sec. 5B. GUARANTEE OF STATE AND MUNICIPAL OR COUNTY OBLIGATIONS; MOTOR SPORTS RACING TRUST FUND. (a) In this section:

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

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

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

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

(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 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:

(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, 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, 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, to the preparation for and presentation of the racing event;

(4) the incremental increase in the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the racing event; and

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

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

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the department, and designated as 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 the department 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. The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the department 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 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. The comptroller shall 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 and shall 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. 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. Money in the trust fund may be disbursed by the department without appropriation only as provided by this section.

(e) In addition to the tax revenue deposited in the Motor Sports Racing trust fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under a motor sports racing event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the racing event.

(f) The comptroller, at the direction of the department, shall transfer 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.

(g) To meet its obligations under a motor sports racing event support contract or event support contract to improve, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes. An endorsing municipality or endorsing county may 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 trust fund or surcharges from user fees, including parking or ticket fees, charged in connection with the racing event. Any note issued must mature not later than seven years from its date of issuance.

(h) The funds in the Motor Sports Racing trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of the state or an endorsing municipality or endorsing county to a site selection organization under a motor sports racing event support contract or event support contract, which obligations may include the payment of costs relating to the preparations necessary or desirable for the conduct of the racing event and the payment of costs of conducting the racing event, including temporary improvements or temporary renovations to existing facilities or other facilities specific to the event.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department to enable the department to fulfill the department'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, 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 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 transferred to or 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 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 estimate to a site selection organization.

(k) The department 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 determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(l) If a disbursement is made from the Motor Sports Racing trust fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the trust fund.

(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 department shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the trust fund.

(n) This section may not be construed as creating or requiring a state guarantee of obligations imposed on the state or an endorsing municipality or endorsing county under a motor sports racing event support contract or other agreement relating to hosting one or more racing events in this state.

(o) The department 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.

(p) Any provision of this Act applicable to games as defined by Section 1(3) of this Act also applies to a motor sports racing
event as defined in this section.

Sec. 5C. EVENTS TRUST FUND FOR CERTAIN MUNICIPALITIES AND COUNTIES. (a) In this section:

(1) "Endorsing county" means a county that contains a site selected by a site selection organization for one or more events.

(2) "Endorsing municipality" means a municipality that contains a site selected by a site selection organization for one or more events.

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

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

(5) "Site selection organization" means an entity that conducts or considers conducting an eligible event in this state.

(a-1) An event is eligible for funding under this section only if:

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

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

(A) the sole site for the event; or

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

(3) the event is held not more than one time in this state or an adjoining state in any year.
(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 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:

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, 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, to the preparation for and presentation of the event and related activities;

3. the incremental increase in the receipts collected by this 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, to the preparation for and presentation of the event and related activities;

4. the incremental increase in the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the event and related activities; and
(5) the incremental increase in the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the department, to the preparation for and presentation of the event and related activities.

(b-1) The number of requests for funding under this section that may be submitted by an endorsing county or endorsing municipality during any 12-month period for an event for which the department determines that the total amount of the incremental increase in tax receipts under Subsection (b) of this section is less than $200,000 is limited to, during any 12-month period, not more than 10 events, only three of which may be nonsporting events.

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

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

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the department, and designated as the Events trust fund the amount of the municipality's or county's hotel occupancy tax revenue determined by the department 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
The comptroller, at the direction of the department, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined by the department 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 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. The comptroller shall 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 the department and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined by the department under Subsection (b)(2) or (3) of this section has been retained. The Events trust fund is established outside the state treasury and is held in trust by the comptroller for administration of this section. Money in the trust fund may be disbursed by the department without appropriation only as provided by this section.

(d-1) 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, a municipality or county may remit to the department 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 department into the Events trust fund under this subsection is subject to Subsection (f) of this section.

(e) In addition to the tax revenue deposited in the Events trust fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the event. An endorsing municipality or endorsing county may collect and remit to the department surcharges
and user fees attributable to the event for deposit into the Events trust fund.

(f) The comptroller, at the direction of the department, shall transfer 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.

(g) To meet its obligations under an event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes. An endorsing municipality or endorsing county may provide that the notes be paid from and secured by amounts on deposit or amounts to be transferred or deposited into the Events trust fund or surcharges from user fees, including parking or ticket fees, charged in connection with the event. Any note issued must mature not later than seven years from its date of issuance.

(h) The money in the Events trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of this state or an endorsing municipality or endorsing county to a site selection organization under an event support contract. Subject to Subsection (k) of this section, the obligations may include the payment of costs relating to the preparations necessary for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the department to enable the department to fulfill the department'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 required by the department, if any, not
later than the end of the fourth month after the date the period
covered by the financial statement ends. After the conclusion of
an event and on the department's request, a local organizing
committee, endorsing municipality, or endorsing county must
provide information relating to the event, such as attendance
figures, including an estimate of the number of people who are not
residents of this state who attended the event, financial
information, or other public information held by the local
organizing committee, endorsing municipality, or endorsing county
that the department considers necessary.

(j) The department shall 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
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. The department 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 estimate to a site selection organization.

(k) The department may make a disbursement from the Events
trust fund on the prior approval of each contributing endorsing
municipality or endorsing county for a purpose for which a local
organizing committee, an endorsing municipality, or an endorsing
county or this state is obligated under an event support contract,
including an obligation to pay costs incurred in the conduct of the
event and costs incurred in making preparations necessary for the
event. If an obligation is incurred under an event support
contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the trust fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the trust fund, unless the improvement or fixture is for a publicly owned facility. In considering whether to make a disbursement from the trust fund, the department may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract.

(k-1) A disbursement may not be made from the trust fund that the department determines would be used for the purpose of:

1. soliciting the relocation of a professional sports franchise located in this state;
2. constructing an arena, stadium, or convention center; or
3. conducting usual and customary maintenance of a facility.

(k-2) Subsection (k-1) of this section does not prohibit:

1. a disbursement from the trust fund for the construction of temporary structures within an arena, stadium, or convention, if those temporary structures are necessary for the conduct of the event; or
2. temporary maintenance of a facility that is necessary for the preparation for or conduct of the event.

(l) If a disbursement is made from the Events trust fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the trust fund.

(m) On payment of all state, municipal, or county obligations under an event support contract related to the location of any particular event in this state, the department shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the Events trust fund.
(n) This section may not be construed as creating or requiring a state guarantee of obligations imposed on this state or an endorsing municipality or endorsing county under an event support contract or other agreement relating to hosting one or more events in this state.

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

(p) The department may adopt rules necessary to implement this section.

(q) In determining the amount of state revenue available under Subsection (b)(1) of this section, the department may consider whether:

1. the event has been held in this state on previous occasions; and
2. changes to the character of the event could affect the incremental increase in receipts collected and remitted to the state by an endorsing county or endorsing municipality under that subsection.

(r) The department may adopt a model event support contract and make the contract available on the department’s Internet website. The adoption by the department of a model event support contract under this subsection does not require use of the model event support contract for purposes of this section.

(s) Repealed by Acts 2015, 84th Leg., R.S., Ch. 948, Sec. 12(1), eff. September 1, 2015.

(t) After the conclusion of an event, the department shall compare information on the actual attendance figures provided to the department 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 may reduce the amount of a disbursement for an endorsing entity under the Events trust fund.
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 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.

Sec. 6. MUNICIPAL OR COUNTY ELECTION. (a) Except as provided by Subsections (b) and (d) of this section, an endorsing municipality or endorsing county must hold an election in the municipality or county to determine whether the municipality or county may contribute a portion of its sales and use taxes to the Olympic Games trust fund under Section 5 of this Act. The election must be held on a uniform election date before the date a site selection organization requires the endorsing municipality or endorsing county and the state to enter into a joinder undertaking relating to the applicable games.

(b) If an endorsing municipality or endorsing county is required to hold an election under this section and the contribution of a portion of the municipality's or county's sales and use taxes to the 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 may not establish the Olympic Games trust fund under Section 5 of this Act, may not retain 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 may not transfer any state tax revenue into the trust fund;

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

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

(c) Notwithstanding any other provisions of this Act, an
endorsing municipality or endorsing county is not required to hold an election in order to contribute its mixed beverage tax revenue or its hotel occupancy tax revenue to the Olympic Games trust fund under Section 5 of this Act.

Sec. 7. ASSISTANCE OF DEPARTMENT AND OTHER STATE AGENCIES.
(a) The department shall review requests from a local organizing committee, endorsing municipality, or endorsing county that the department, on behalf of the state, enter into a games support contract that is required by a site selection organization in connection with the committee's, municipality's, or county's bid to host any of the games. This section does not affect or apply to an event support contract under Section 5A, 5B, or 5C of this Act to which the department is not a party.

(b) A request made under Subsection (a) of this section must be accompanied by:

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

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

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

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

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

(6) any other information reasonably requested by the department to assist it in reviewing the request.

(c) The department shall approve or deny a request made under Subsection (a) of this section not later than the 30th day after the date the request is submitted.

(d) The department may agree in a joinder undertaking entered into with a site selection organization that the department will:

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

(2) refrain from taking any action after the execution of the joinder undertaking that would impair its ability to execute the joinder agreement.

e) The department may agree in a joinder agreement that the state will:

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

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

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

(A) obligations of the local organizing committee, endorsing municipality, or endorsing county to a site selection organization, including obligations indemnifying the site selection organization against claims of and liabilities to third parties arising out of or relating to the games; and

(B) any financial deficit relating to the games.

f) The department may agree to execute a joinder undertaking, a joinder agreement, or other games support contract only if:

(1) the department determines that:

(A) the state's assurances and obligations under the undertaking, agreement, or contract are reasonable; and

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

(2) the endorsing municipality or endorsing county has executed an agreement with a site selection organization that contains substantially similar terms.

(g) Before executing a games support contract, the department
must execute an agreement with the local organizing committee, endorsing municipality, or endorsing county requiring that if a site selection organization selects a site for the games in this state pursuant to an application by the local organizing committee, endorsing municipality, or endorsing county, the local organizing committee, endorsing municipality, or endorsing county will repay the state any funds expended by the department under this Act from any surplus of the local organizing committee's, endorsing municipality's, or endorsing county's funds remaining after the presentation of the games and after the payment of the expenses and obligations incurred by the local organizing committee, endorsing municipality, or endorsing county.

(h) A games support contract may contain any additional provisions the department requires in order to carry out the purposes of this Act.

(i) The department may require a local organizing committee, endorsing municipality, or endorsing county to list the state as an additional insured on any policy of insurance purchased by the local organizing committee, endorsing municipality, or endorsing county and required by a site selection organization to be in effect in connection with the games.

(j) The Texas Department of Transportation, the Department of Public Safety of the State of Texas, and the Texas Department of Housing and Community Affairs may:

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

(2) enter into contracts, agreements, or assurances related to the presentation of the games.

(k) Repealed by Acts 2003, 78th Leg., ch. 814, Sec. 5.09.

Sec. 8. APPLICATION OF OPEN MEETINGS AND OPEN RECORDS LAWS.
(a) A local organizing committee and its governing body are subject to Chapters 551 and 552, Government Code. For purposes of those chapters, the governing body of a local organizing committee is considered a governmental body as defined by those chapters. For purposes of Chapter 552, Government Code, the records and information of a local organizing committee are considered public
records and public information.

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

(c) Chapter 551, Government Code, does not apply to a meeting of a subcommittee of the governing body of a local organizing committee if:

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

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

(3) the subcommittee makes a tape recording of the proceedings of the meeting in compliance with Section 551.103, Government Code, and the local organizing committee preserves the tape recording for two years from the date the recording is made;

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

(5) any decision made by the subcommittee will not become effective without being reviewed and officially adopted by the governing body of the local organizing committee at a meeting held in compliance with Chapter 551, Government Code.

(d) A tape recording made under Subsection (c) of this section is subject to required public disclosure in the manner prescribed by Chapter 552, Government Code, for a public record.

Sec. 9. TAX EXEMPTIONS FOR LOCAL ORGANIZING COMMITTEE. (a) A local organizing committee that is exempt from paying federal income tax under Section 501(c), Internal Revenue Code of 1986, as amended, is exempt from:

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

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

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

(4) the franchise tax imposed under Chapter 171, Tax Code.

(b) The exemptions provided by Subsections (a)(1), (2), and (3) of this section take effect on the first day of the first month
after the effective date of this Act. The exemption provided by Subsection (a)(4) of this section applies only to a tax imposed under Chapter 171, Tax Code, that becomes due on or after the effective date of this Act.

Sec. 10. ETHICS. (a) A local organizing committee that submits a request under Section 7(a) of this Act must:

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

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

(A) a certification that the local organizing committee continues to be in compliance with the ethical guidelines described by Subdivision (1) of this subsection; and

(B) a report of contributions to and expenditures by the local organizing committee in the manner described by Subsection (b) of this section; and

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

(b) A report made under Subsection (a)(2)(B) of this section must include:

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

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

(B) the date of the contribution;

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

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

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

(A) the full name and address of the person who receives payment of the expenditure;
(B) the date of the expenditure;
(C) the purpose of the expenditure; and
(D) the amount of the expenditure.

(c) The endorsing municipality for which a local organizing committee submits a request under Section 7(a) of this Act must have a comprehensive ethics code establishing standards of conduct, disclosure requirements, and enforcement mechanisms relating to city officials and employees before the department may consider the request.

Sec. 11. BRIBERY. (a) A person commits an offense if the person intentionally or knowingly offers, confers, or agrees to confer on another person, or solicits, accepts, or agrees to accept from another person, any benefit as consideration for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a member or employee of a local organizing committee or site selection organization.

(b) It is a defense to prosecution under Subsection (a) of this section that the benefit conferred is a meal or entertainment reported under Section 10(a)(2)(B) of this Act.

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

(d) It is not a defense to prosecution under Subsection (a) of this section that the benefit is not offered or conferred or that the benefit is not solicited or accepted until after:

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

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

(e) In this section, "benefit" has the meaning assigned by Section 36.01, Penal Code.
An offense under this section is a felony of the second degree.

Sec. 12. LOCAL GOVERNMENT CORPORATION AS ENDORSING MUNICIPALITY OR COUNTY. (a) This section applies only to a local government corporation that:

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

2. is located in a county with a population of 3.3 million or more.

(b) A local government corporation may act as an endorsing municipality or endorsing county under this Act.

(c) A local government corporation acting as an endorsing municipality or endorsing county under this Act shall remit for deposit into the trust fund established for the games or event the amounts determined by the comptroller under this Act. The comptroller shall determine the incremental increase in receipts attributable to the games or event and related activities under that chapter based on the amount of applicable taxes imposed by each municipality or county that comprises the local government corporation and not on the amount of taxes imposed by the local government corporation.

(d) A local government corporation acting as an endorsing municipality or endorsing county under this Act may guarantee the local government corporation’s obligations under a games or event support contract by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the games or event and related activities.

(e) Subject to Subsection (c), a local government corporation acting as an endorsing municipality or endorsing county under this Act, as authorized by this section, has all the powers of an endorsing municipality or endorsing county under this Act, and any action an endorsing municipality or endorsing county is required to take by ordinance or order under this Act may be taken by order or resolution of the local government corporation.

Acts 1999, 76th Leg., ch. 1507, eff. Aug. 30, 1999; Sec. 1(2) amended by Acts 2003, 78th Leg., ch. 579, Sec. 1, eff. June 20, 2003; Sec. 1(3) amended by Acts 2003, 78th Leg., ch. 579, Sec. 1,
Amended by:

Acts 2005, 79th Leg., Ch. 150 (H.B. 1528), Sec. 1, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 295 (S.B. 150), Sec. 1, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 295 (S.B. 150), Sec. 2, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 295 (S.B. 150), Sec. 3, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 295 (S.B. 150), Sec. 4, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 295 (S.B. 150), Sec. 5, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 866 (S.B.1038), Sec. 1, eff. June 17, 2005.

Acts 2005, 79th Leg., Ch. 866 (S.B. 1038), Sec. 2, eff. June 17, 2005.

Acts 2007, 80th Leg., R.S., Ch. 556 (S.B. 1424), Sec. 1, eff. June 16, 2007.
Acts 2007, 80th Leg., R.S., Ch. 556 (S.B. 1424), Sec. 2, eff. June 16, 2007.

Acts 2007, 80th Leg., R.S., Ch. 556 (S.B. 1424), Sec. 3, eff. June 16, 2007.

Acts 2007, 80th Leg., R.S., Ch. 556 (S.B. 1424), Sec. 4, eff. June 16, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1426 (S.B. 1523), Sec. 3, eff. June 15, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1426 (S.B. 1523), Sec. 4, eff. June 15, 2007.

Acts 2007, 80th Leg., R.S., Ch. 1426 (S.B. 1523), Sec. 5, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 1, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 2, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 3, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 4, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 5, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 6, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 7, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 810 (S.B. 1515), Sec. 8, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 9 (S.B. 309), Sec. 1, eff. April 29, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 9 (S.B. 309), Sec. 2, eff. April 29, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 3 (S.B. 398), Sec. 1, eff. April 17, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1371 (S.B. 1678), Sec. 1, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1371 (S.B. 1678), Sec. 2, eff.
June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 1371 (S.B. 1678), Sec. 3, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 1371 (S.B. 1678), Sec. 4, eff. June 14, 2013.
Acts 2015, 84th Leg., R.S., Ch. 2 (S.B. 293), Sec. 1, eff. April 8, 2015.
Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 4.01, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 4.02, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 1, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 2, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 3, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 4, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 5, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 6, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 7, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 8, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 9, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 10, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 11, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 948 (S.B. 633), Sec. 12(1), eff. September 1, 2015.
Acts 2017, 85th Leg., R.S., Ch. 610 (H.B. 3294), Sec. 1, eff. September 1, 2017.

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Acts 2017, 85th Leg., R.S., Ch. 610 (H.B. 3294), Sec. 2, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 3.01, eff. April 1, 2021.

Acts 2019, 86th Leg., R.S., Ch. 1223 (H.B. 2402), Sec. 1, eff. June 14, 2019.