

## Chapter 661

H.B. No. 3402

### AN ACT

relating to the authority of a venue district to act as an endorsing municipality or endorsing county for purposes of games or event trust funds; authorizing a fee.

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

SECTION 1. Subchapter E, Chapter 335, Local Government Code, is amended by adding Section 335.078 to read as follows:

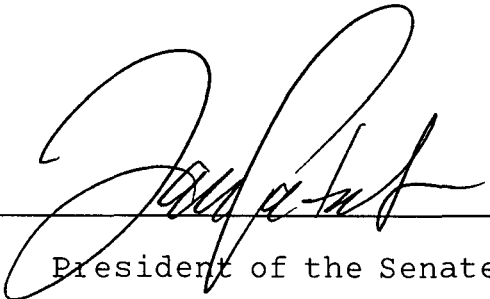
Sec. 335.078. VENUE DISTRICT AS ENDORSING MUNICIPALITY OR COUNTY. (a) A venue district located in a county with a population of 3.3 million or more may act as an endorsing municipality or endorsing county under Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes).

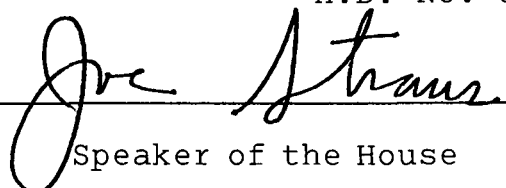
(b) A venue district acting as an endorsing municipality or endorsing county under Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), shall remit for deposit into the trust fund established for the games or event the amounts determined by the comptroller under that chapter. 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 venue district and not on the amount of taxes imposed by the venue district.

1        (c) A venue district acting as an endorsing municipality or  
2 endorsing county under Chapter 1507, Acts of the 76th Legislature,  
3 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil  
4 Statutes), may guarantee the district's obligations under a games  
5 or event support contract by pledging surcharges from user fees,  
6 including parking or ticket fees, charged in connection with the  
7 games or event and related activities.

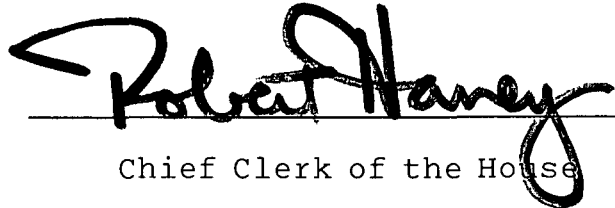
8        (d) Subject to Subsection (b), a venue district acting as an  
9 endorsing municipality or endorsing county under Chapter 1507, Acts  
10 of the 76th Legislature, Regular Session, 1999 (Article 5190.14,  
11 Vernon's Texas Civil Statutes), as authorized by this section, has  
12 all the powers of an endorsing municipality or endorsing county  
13 under that chapter, and any action an endorsing municipality or  
14 endorsing county is required to take by ordinance or order under  
15 that chapter may be taken by order or resolution of the venue  
16 district.

17        SECTION 2. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2015.

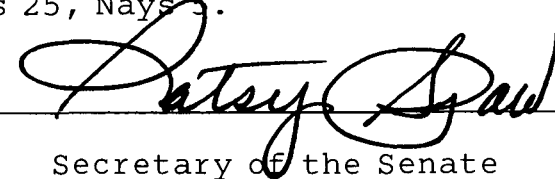
  
\_\_\_\_\_  
President of the Senate

H.B. No. 3402  
  
\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 3402 was passed by the House on May 12, 2015, by the following vote: Yeas 121, Nays 21, 2 present, not voting.

  
\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 3402 was passed by the Senate on May 24, 2015, by the following vote: Yeas 25, Nays 5.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 15, 2015**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3402** by Smith (Relating to the authority of a venue district to act as an endorsing municipality or endorsing county for purposes of games or event trust funds; authorizing a fee.), **As Engrossed**

Depending on the number and size of events that would become eligible, there would be an indeterminate fiscal impact to the state.

The bill would amend Chapter 335 of the Local Government Code, regarding sports and community venue districts, to add Section 335.078, regarding venue district as an endorsing entity.

The new section would permit a venue district located in a county with a population of more than 3.3 million to act as a municipality or county as it relates to Article 5190.14, Vernon's Texas Civil Statutes. The venue district would be allowed to (1) request the establishment of a Pan American Games Trust Fund, Olympic Games Trust Fund, Major Events Trust Fund (METF), Events Trust Fund (ETF), and Motor Sports Racing Trust Fund (MSRTF) from the Comptroller, and have all the powers of an endorsing municipality or county under Article 5190.14; (2) guarantee obligations under an event support contract by pledging fees and surcharges it might collect in connection with an event; and (3) use, in lieu of its own taxes, the incremental tax receipts of the cities or counties that created the district to determine the amount of the local share attributable to secure funding through the METF, MSRTF or ETF. The venue district would pledge its own funds (taxes, fees, etc.) towards the local share.

The bill would give a venue district located in a county with a population more than 3.3 million (currently, only Harris County fits this definition) the same statutory authority as municipalities and counties as it relates to Article 5190.14, Vernon's Texas Civil Statutes, and utilize in lieu of its own taxes the incremental tax receipts of the cities or counties that created the district to determine the amount of the local share attributable to secure funding through the METF, MSRTF or ETF. This could be done without approval or direct endorsement by the cities or counties that created the district. The specific fiscal impact to the state is unknown as the size and number of events that would become eligible and held in this state is unknown. There would be a negative impact to the state if an event that would be held in the state irrespective of Article 5190.14 received funding under an event trust fund.

### **Local Government Impact**

The fiscal implications of the bill cannot be determined at this time

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, SZ, CL, SD, AG, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 30, 2015**

**TO:** Honorable Angie Chen Button, Chair, House Committee on Economic & Small Business Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3402** by Smith (Relating to the authority of a venue district to act as an endorsing municipality or endorsing county for purposes of games or event trust funds; authorizing a fee.), **Committee Report 1st House, Substituted**

Depending on the number and size of events that would become eligible, there would be an indeterminate fiscal impact to the state.

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**Local Government Impact**

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**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, SD, AG, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 23, 2015**

**TO:** Honorable Angie Chen Button, Chair, House Committee on Economic & Small Business Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3402** by Smith (Relating to the authorization of a venue district to act as an endorsing entity to attract games, events and related activities.), **As Introduced**

Depending on the number and size of events that would become eligible, there would be an indeterminate fiscal impact to the state.

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### **Local Government Impact**

The fiscal implications of the bill cannot be determined at this time

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, SD, EK, AG