

- SUBJECT:** Allowing a venue district to act as an endorsing jurisdiction for funding
- COMMITTEE:** Economic and Small Business Development — committee substitute recommended
- VOTE:** 6 ayes — Button, C. Anderson, Faircloth, Isaac, Metcalf, E. Rodriguez
- 0 nays
- 3 absent — Johnson, Villalba, Vo
- WITNESSES:** For — Janis Burke, Harris County-Houston Sports Authority; (*Registered, but did not testify*: Colin Parrish, Andrews Kurth LLP; Mark Arnold, General Counsel to Harris County-Houston Sports Authority; Mike Sullivan, Harris County Tax Assessor-Collector)
- Against — None
- BACKGROUND:** Local Government Code, ch. 335 affords the creation of sports and community venue districts where municipalities and other local governments can partner to fund, build, and administer stadiums and other venues.
- Vernon’s Civil Statutes, art. 5190.14 allows an endorsing municipality or county to apply for funding from the Major Events Trust Fund. These jurisdictions endorse an event, making it eligible for funding. Entities that are not municipalities or counties cannot endorse events for the Major Events Trust Fund.
- DIGEST:** CSHB 3402 would allow venue districts in counties with a population greater than 3.3 million (Harris County) to act as endorsing municipalities or counties for the purposes of the Major Events Trust Fund.
- In determining the incremental increase in tax revenue from the event, the comptroller would take into account the gains in taxes levied by each of the constituent municipalities or counties, rather than the taxes levied by

the venue district. The venue district could guarantee the district's obligations under a games or event support contract by pledging surcharges from user fees, such as parking and ticket sales, related to the event.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.