

- SUBJECT:** Adding eligible organizations to the Major Events Trust Fund
- COMMITTEE:** Economic & Small Business Development — favorable, without amendment
- VOTE:** 7 ayes — Button, Johnson, Faircloth, Isaac, Metcalf, E. Rodriguez, Villalba
- 0 nays
- 2 absent — C. Anderson, Vo
- WITNESSES:** For — (*Registered, but did not testify:* Dana Harris, Austin Chamber of Commerce; Galt Graydon, Circuit of the Americas; TJ Patterson, City of Fort Worth; Ron Hinkle, Texas Association of Campground Owners; Brian Sullivan, Texas Hotel & Lodging Association; Neal “Buddy” Jones, Texas Motor Speedway; Monty Wynn, Texas Municipal League; Homero Lucero, Texas Travel Industry Association)
- Against — None
- On — (*Registered, but did not testify:* Korry Castillo, Texas Comptroller of Public Accounts)
- BACKGROUND:** The Major Events Trust Fund provides an economic incentive for organizations to host large events in Texas. The comptroller estimates the amount of state and local tax revenue to be generated by an event, and this amount is set aside in the trust fund to defray the cost of hosting the event. An event must be listed under Vernon’s Texas Civil Statutes, art. 5190.14, sec. 5A to be eligible.
- In 2013, the Legislature enacted SB 1678 to amend the Major Events Trust Fund Act by adding events and organizations eligible for the reimbursement, modifying the payment procedure, adding transparency requirements, and adding a clawback provision.

**DIGEST:** HB 900 would expand the list of eligible site selection organizations in the Major Events Trust Fund Act to include ESPN or an affiliate, the National Association for Stock Car Auto Racing (NASCAR), and the Ultimate Fighting Championship.

This 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.

**SUPPORTERS SAY:** HB 900 is necessary to maintain and advance the economic benefits that Texas garners from hosting large events.

Texas has hosted two major NASCAR races since 2007, but the state should not take for granted its recent success in holding these events. NASCAR is an increasingly popular sport, and other states are beginning to put together competitive packages to lure these races away. In recent years, Georgia lost one of its NASCAR events to Nevada because of a competitive incentives package Nevada offered.

Ultimate Fighting Championship is the largest mixed-martial arts promotion company in the world, and the sport's events are not only highly sought after by other states, but by other countries as well. This bill would make Texas competitive nationally and internationally when pursuing these events.

Changes made to the Major Events Trust Fund in 2013 — for example, implementing clawback measures and having the program reimburse events rather than pay them in advance — addressed many of the concerns frequently raised about the program. Any new administrative burden on the comptroller's office should not be excessive.

SB 1678, enacted by the 83rd Legislature in 2013, intended to add events hosted by NASCAR, ESPN, and the Ultimate Fighting Championship to the list of eligible events but did not include the respective site selection organizations. HB 900 merely would follow through on the earlier intention. SB 1678 had wide bipartisan support and passed unanimously

in the Senate and 145-2 in the House.

**OPPONENTS  
SAY:**

The Major Events Trust Fund has experienced transparency and oversight flaws in the past, and HB 900 would add to the problem by increasing the number of events eligible to receive reimbursements. While the bill enacted in 2013 addressed many of the accountability concerns, further reforms should be made before expanding the list of eligible events. Increasing the number of site selection committees eligible for reimbursement under the Major Events Trust Fund could increase the comptroller's workload within the limits of existing resources.

**NOTES:**

The Legislative Budget Board's fiscal note said the fiscal impact of the bill could not be determined at this time and would depend on the number and size of events covered under the bill.