

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 456
By: Madla
Economic Development
3/24/1999
Committee Report (Substituted)

DIGEST

Currently, the City of San Antonio is bidding to host the 2007 Pan American Games, while the cities of Dallas and Houston are bidding on the 2012 Olympics. The site selection committees that review these bids require the bidding cities to submit sufficient evidence with their bid that the state in which the bidder is located supports the bid and is willing to grant good faith assurances that the games will be produced in accordance with the bid should the games be awarded to that city. C.S.S.B. 456 would authorize the state to provide financial support to persons and municipalities as well as assurances that Texas Department of Economic Development commitments will be fulfilled to the site selection organization sponsoring the games if a state location is the site for the 2007 Pan American Games or the XXX Olympiad in 2012. Financial support would be provided through a games support contract supported by a special fund in the treasury called the Olympics and Pan American Games Support Fund. The fund would be composed of incremental increases in state sales and use tax revenues that are directly related to the games activities in the geographical area where the games are to be presented.

PURPOSE

As proposed, C.S.S.B. 456 facilitates and supports cooperative efforts of municipalities and counties to promote economic development by hosting the Pan American Games and the Olympic Games.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. DEFINITIONS. Defines “department,” “endorsing municipality,” “games,” “games support contract,” “qualified applicant,” “site selection date,” and “site selection organization.”

SECTION 2. PURPOSE. Provides that the purpose of this Act, if a location in the state is designated as the site for the 2007 Pan American Games or the XXX Olympiad Games, is to provide financial support to the municipalities and to provide assurances to the site selection organization sponsoring the games, that commitments made by the state through the Texas Department of Economic Development (department) in a games support contract will be fulfilled.

SECTION 3. LEGISLATIVE FINDINGS. Finds that the state’s conduct of the 2007 Pan American Games or XXX Olympiad Games in 2012 will provide invaluable public visibility throughout the world for the state and site communities, and will encourage and provide major economic benefits to the state and site communities.

SECTION 4. OLYMPICS AND PAN AMERICAN GAMES SUPPORT FUND. Requires the comptroller to determine quarterly incremental increases in sales and use tax receipts within an accepted applicant’s market area whose site application has been accepted by the applicable site selection organization that is reasonably attributable to the successful application and preparation for and the presentation of the applicable games and related events, beginning on the first day after the site selection date if a site selection organization selects a Texas site for the XXX Olympiad Games or the 2007 Pan American Games. Requires the comptroller to deposit an amount determined under Subsection (a) of this section into a special treasury account called the Olympics and Pan American Games support fund; requires the comptroller to discontinue depositing this amount at the end of the third calendar month following the month in which the closing event of the games occurs. Requires a qualified applicant to propose the geographic market area boundaries to be used under Subsection (a) of this section. Requires

the department to approve a proposed market area if it includes areas likely to provide venues, accommodations, and services related to the games based on the applicant's proposal. Authorizes the department, in its sole discretion, to use Olympic and Pan American Games money to fulfill state selection organization obligations under a support contract or any other agreement which provides assurances from the department to a site selection organization. Prohibits money in the fund from being spent except as directed by the department and state funds, other than those funds in the Olympics and Pan American Games support fund, may not be used for the purposes of this Act.

SECTION 5. ASSISTANCE OF DEPARTMENT. Requires the department to review qualified applicant requests that the department enter into a games support contract with the applicant. Sets forth the information required to be included in a request. Requires the department to approve or deny a request no later than the 30th day after the request is submitted. Sets forth acceptable conditions for the department's approval of a games support contract with a qualified applicant. Authorizes the department to provide written assurances on behalf of the state and qualified applicant to the applicable site selection organization if the applicant's proposal is accepted and the identified site is selected, and if necessary in addition to funds provided by the qualified applicant, the state will provide sufficient funds solely from money on deposit in the Olympics and Pan American Games support fund, and from no other source of public funds, to pay game presentation costs according to the qualified applicant's proposal. Requires a qualified applicant participating in a games support contract to repay state funds expended by the department from a qualified applicant's funds remaining after incurred expenses have been met and the presentation of the games. Authorizes a games support contract to contain any additional provisions required by the department in order to meet the purpose of this act.

SECTION 6. GOVERNMENTAL FUNCTIONS. Provides that an action taken or an activity conducted under this Act by a qualified applicant or the department is declared to be an essential governmental function and is not a proprietary function.

SECTION 7. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Redefines "endorsing municipality." Deletes the definitions of "regional games support authority," "site selection application costs," and "participating municipality or county."

SECTION 2.

Replaces existing SECTION 2. Provides that the purpose of this Act, if a location in the state is designated as the site for the 2007 Pan American Games or the XXX Olympiad Games, is to provide financial support to the municipalities and to provide assurances to the site selection organization sponsoring the games, that commitments made by the state through the department in a games support contract will be fulfilled.

SECTION 4.

Requires the comptroller to determine quarterly, rather than monthly, incremental increases in sales and use tax receipts within an accepted applicant's market area. Authorizes the department, in its sole discretion, to use Olympic and Pan American Games money, rather than funds, to fulfill state selection organization obligations under a support contract or any other agreement which provides assurances from the department to a site selection organization. Prohibits money in the fund from being spent except as directed by the department and state funds, other than those funds in the Olympics and Pan American Games support fund, from being used for the purposes of this Act.

SECTION 5.

Adds a new heading. Deletes the following information that must be included in a request for a games support contract with a qualified applicant: the estimated cost of preparing and submitting the intended proposal; the applicant's intended method of obtaining the funds needed for the

purpose of preparing the proposal; and a description by type and approximate amount of the site selection application costs. Deletes text allowing the department to pay for a specified portion of the site selection application costs. Deletes text regarding a qualified applicant not being required to repay any state money expended before the site selection date if the games are not awarded to the qualified applicant. Deletes text authorizing the Texas Department of Transportation, the Texas Department of Public Safety, and the Texas Department of Housing and Community Affairs to assist qualified applicants in developing applications and planning for the games and to enter into contracts, agreements, or assurances related to the game presentations.

SECTION 6.

Deletes existing SECTIONS 6-9. Redesignated from existing SECTION 10. Deletes text regarding an action or activity conducted by an other state agency, a participating municipality or county, or a regional games support authority.

SECTION 7.

Redesignated from existing SECTION 11.