

Tapping into State Resources Events Trust Funds

Karen H Brophy

Senior Assistant City Attorney, Irving Texas

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Four Event Trust Funds

- Access to local and state gains from sales and use, auto rental, hotel and alcoholic beverage taxes generated from certain major events to pay costs incurred from hosting the event.
- Event is competitively bid; compete with cities outside Texas
- Should draw out-of-state visitors to show increase in state revenue
- State contribution is capped at Comptroller's estimate of the increment
- Local match of \$1 for every \$6.25 in state funds

Major Event Trust Funds

- Super Bowl 2011
 - \$4,297,112 local + **\$26,856,950** state match = \$31,154,062
- Final Four 2014
 - \$1,485,488 local + **\$9,284,298** state match = \$10,769,786
- NBA 2013 All star game
 - \$1,763,956 local + **\$11,024,720** state match = \$12,788,676

Motor Sports Racing Trust Fund

- Automobile racing event sanctioned by Automobile Competition Committee for the US at a temporary venue

Special Events Trust Fund

- Competitive selection process with a non-Texas site considered
- Economic impact study approved by Comptroller
- Application must be approved by Governor, Lieutenant Governor and Speaker of the House
- 50% of state sales tax, no local match required
- See Local Gov't Code 398
- PGA tour
- National Cutting Horse Futurity

Events Trust Fund

- Once a year sporting event or convention
- City selected as sole event site in Texas and adjoining states
- In a 12 month period, City is limited to 10 trust fund requests for events with less than \$200,000 increment
- Of those, no more than 3 may be non-sporting events

Events Trust Fund

- Cutting horse competitions
 - \$98,157 local + \$613,475 state = \$711,632
- MLS All Star game 2010
 - \$126,074 local + \$787,965 state = \$914,039
- Trade shows
 - \$21,510 local + \$134,440 state = \$155,950
 - \$89,937 local + \$562,103 state = \$652,040

Endorsing Municipality Local Organizing Committee

- Endorsing municipality is one which contains the site selected by the site selection organization the event or any of the related events or activities
- Local organizing committee is a nonprofit corporation that has been authorized by an endorsing municipality or county to act on their behalf to pursue a bid with the site selection organization
- Don't necessarily need a local organizing committee; city may perform that function

Making the Request

- Use Comptroller's forms, Request Worksheet, 120 days before the event
- Selection letter showing highly competitive selection process, describe the event, date(s) and selected city
- City's endorsement letter or resolution
- Economic impact study
- Comptroller determination generally in 30 days
- Submit event support contract before event
- Submit local funds no later than 90 days after event

Economic Impact report

- Economic impact report of expected incremental tax gains resulting from event.
 - Out of state visitors, length of stay, expenditure per day, source of this info
- Comptroller will determine geographic market area and the amount of increment.
 - Location of associated events
 - Each city & county may participate

Event Support Contract

- Contract between the site selection organization and an endorsing city and/or the local organizing committee setting out obligations in connection with the event and related activities
- The local organizing committee may also unilaterally enter an Event Support Contract with the site selection organization
- **Very important** as it serves as the basis for disbursements
 - If city is not obligated to do something by the Event Support Contract, Comptroller will not reimburse that expense
- Submit to Comptroller in advance of event, prior to submitting local funds and expense reimbursement request

Event Support Contract

- This is not the bid document.
- State exactly what the city or LOC is agreeing to do
- Specifically describe items. Catch-all terms are not adequate.
- Public record
- Signed by City and site selection organization
- Comptroller is not a party to this contract
- Details of the receipts must match the event support contract

Allowed Costs

- Renovation, improvement of public event site
 - Not customary maintenance
 - Not construction of arena, stadium or convention center
- Fees paid to selection committee
- Security, traffic control
- Food & water necessary for health of participants
- Facility rental, staffing costs
- Advertising
- Other direct costs of the event support contract

Disallowed Costs

- Taxes
- Gifts of any kind, grants, hospitality or VIP expenses
- Alcoholic beverages
- Representation before the legislature or comptroller
- Gaming, raffles
- Religious items, Personal items
- Any expense that is recouped from another; exchange-in-kind
- Any cost Comptroller deems unnecessary, fiscally irresponsible or not supportive of program objectives

Post Event

- Submit attendance certification within 45 days
- Post event analysis to determine reasonableness of initial estimate
 - Comptroller may reduce disbursement if actual attendance figures are significantly less than projected
- Submit local funds within 90 days
- Disbursement will only be for allowable costs directly attributable to the event, described in the event support contract

	Comptroller Increment	City Contribution	% of increment	Costs to be reimbursed
Arlington 6/22/10	1,070,235	715,069	67%	715,069
Dallas 8/4/10	4,563,000	1,465,000 CVB <u>1,237,000</u> gen'l fund 2,702,000	59%	3,000,000
Fort Worth 12/15/10	1,344,450	70,000 CVB <u>660,000</u> gen'l fnd 730,000	54%	2,260,699
Irving 12/9/10	329,658	105,946 CVB <u>44,097</u> gen'l fund 150,043	45.5%	687,700

	City Contribution	Plus State match X 6.25	Less City reimbursement	Available for Host Committee
Arlington	715,069	4,469,181	715,069	4,469,181
Dallas	2,702,000	16,887,500	3,000,000	16,589,500
Fort Worth	730,000	4,562,500	2,260,699	3,031,801
Irving	150,043	937,768	687,700	400,111
TOTAL	\$4,297,112	\$26,856,950	\$6,663,468	\$24,490,594

Resources

- Start with Comptroller's web site
- http://www.texasahead.org/tax_programs/event_fund/
- Comptroller's Rules, Texas Administrative Code, Title 34, Part 1, Chapter 2
 - [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=34&pt=1&ch=2](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=34&pt=1&ch=2)
- State law: Tex. Rev. Civ. Stat. 5190.14 Sections 5A, 5B, 5C