

BILL ANALYSIS

Senate Research Center

S.B. 935
By: Madla
State Affairs
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As Filed

DIGEST

Currently, there are different statutes which provide qualifying governmental entities with certain means to propose, finance, and construct sports stadiums in Texas. This bill provides cities and counties an opportunity to build or renovate sports facilities utilizing a broad range of local, rather than state, public funding options passed by a local referendum.

PURPOSE

As proposed, S.B. 935 provides cities and counties an opportunity to build or renovate sports facilities utilizing a broad range of local, rather than state, public funding options passed by a local referendum.

RULEMAKING AUTHORITY

Rulemaking authority is granted to a county or municipality in Section 1 (Section 334.021, Section 334.024, Section 334.042, Section 334.102, Section 334.151, Section 334.153, Section 334.154, Section 334.201, Section 334.204, and Section 335.051, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 10C, Local Government Code, by adding Chapters 334 and 335, as follows:

CHAPTER 334. COMMUNITY VENUES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 334.001. DEFINITIONS. Defines "approved community venue project," "governing body," "related infrastructure," "community venue," and "community venue project."

Sec. 334.002. APPLICATION TO COMMUNITY VENUE CONSTRUCTED UNDER OTHER LAW. Authorizes a court or municipality to use this chapter for a community venue project relating to a community venue and certain related infrastructures.

Sec. 334.004. OTHER USES OF COMMUNITY VENUE PERMITTED. Provides that this chapter does not prohibit the use of a community venue for an event that is not related to sports.

SUBCHAPTER B. COMMUNITY VENUE PROJECTS

Sec. 334.021. RESOLUTION AUTHORIZING PROJECT. Authorizes a county or municipality, by resolution, to provide for planning, acquisition, establishment, development, construction, or renovation of a community venue project if certain provisions are met. Sets forth the requirements of the resolution.

Sec. 334.022. STATE FISCAL IMPACT ANALYSIS. Requires the municipality or county to send a copy of the resolution to the comptroller before calling an election. Sets forth duties of the comptroller after receipt of the resolution. Sets forth duties of the comptroller

if the resolution is not received on a timely basis.

Sec. 334.023. APPEAL OF COMPTROLLER DETERMINATION. Authorizes the municipality or county to take certain actions for a resolution deemed to have a negative fiscal impact. Sets forth duties of the comptroller under this section.

Sec. 334.024. ELECTION. Authorizes a municipality or county to order an election if a resolution does not have a negative fiscal impact. Sets forth the requirements of the order calling the election. Sets forth the requirements of the ballot. Provides that the Election Code governs an election under this section.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 334.041. GENERAL POWERS. Authorizes a municipality or county to perform any act necessary to the full exercise of the municipality's or county's powers under this chapter. Sets forth the power of a municipality or county under this chapter.

Sec. 334.042. COMMUNITY VENUE PROJECT FUND. Requires a municipality or county in which an approved community venue project is located to establish, by resolution, a community venue project fund (fund). Sets forth deposits to go into the fund. Sets forth uses of the fund. Provides that money deposited in the fund is the property of the municipality or county depositing the money.

Sec. 334.043. BONDS AND OTHER OBLIGATIONS. Authorizes a municipality or county in which an approved community venue project is located to issue bonds to pay the costs of the approved community venue project. Sets forth requirements of the bonds.

Sec. 334.044. PUBLIC PURPOSE OF PROJECT. Provides that the legislature finds for all constitutional and statutory purposes that an approved community venue project is owned, used, and held for public purposes by the municipality or county. Provides that Section 25.07(a), Tax Code, does not apply to a leasehold or other possessory interest granted by the municipality or county while the municipality or county owns the project. Provides that the project is exempt under Section 11.11, Tax Code, while the municipality or county owns the project.

SUBCHAPTER D. SHORT-TERM MOTOR VEHICLE RENTAL TAX

Sec. 334.101. DEFINITIONS. Defines "motor vehicle," "place of business of the owner," and "rental." Provides that words used in this subchapter and defined by Chapter 152, Tax Code, have the meanings assigned by Chapter 152, Tax Code.

Sec. 334.102. TAX AUTHORIZED. Authorizes a municipality, by ordinance, or a county, by order, to impose a tax on the gross rental receipts from the rental in the municipality or county of a motor vehicle. Authorizes a municipality, by ordinance, or a county, by order, to repeal or decrease the rate of tax under Subsection (a). Authorizes a municipality or county to authorize a tax if certain provisions are met.

Sec. 334.103. SHORT-TERM RENTAL TAX. Sets forth requirements of the tax. Requires a ballot proposition at the election held to adopt the tax to specify that maximum rate of tax.

Sec. 334.104. RATE INCREASE. Sets forth requirements for increasing the rate of tax. Sets forth required language for the ballot.

Sec. 334.105. COMPUTATION OF TAX. Requires the owner of a vehicle subject to the tax under this subchapter to collect tax for the benefit of the municipality or county. Sets forth the calculation of the tax.

Sec. 334.106. CONSUMMATION OF RENTAL. Provides that the rental of a motor vehicle occurs in the municipality or county in which transfer of possession of a motor vehicle occurs.

Sec. 334.107. SHORT-TERM TAX INAPPLICABLE WHEN NO STATE TAX. Provides that a tax authorized by this subchapter does not apply unless the tax imposed by Chapter 152, Tax Code, also applies to the rental.

Sec. 334.108. EXEMPTIONS APPLICABLE. Provides that the exemptions in Chapter 152E, Tax Code, apply to the tax authorized by this subchapter.

Sec. 334.109. NOTICE OF TAX. Sets forth language for the notice of tax on a receipt for a rental of a motor vehicle.

Sec. 334.110. GROSS RECEIPTS PRESUMED SUBJECT TO TAX. Provides that all gross receipts of an owner of a motor vehicle from the rental of the motor vehicle are presumed to be subject to the tax under this subchapter, except for certain gross receipts.

Sec. 334.111. RECORDS. Requires the owner of a vehicle use for rental purposes to keep certain records.

Sec. 334.112. FAILURE TO KEEP RECORDS. Provides that a person commits a misdemeanor punishable by a fine of \$25 to \$100 for not keeping proper records required under Section 334.111 of this Act.

Sec. 334.113. EFFECTIVE DATE AND ENDING DATE OF TAX. Sets forth beginning and ending dates of a tax under this subchapter.

Sec. 334.114. TAX COLLECTION; PENALTY. Sets forth requirements of collecting and penalties for not collecting taxes.

Sec. 334.115. COLLECTION PROCEDURES ON PURCHASE OF MOTOR VEHICLE RENTAL BUSINESS. Sets forth requirements and procedures for collecting taxes.

Sec. 334.116. REIMBURSEMENT FOR TAX COLLECTION EXPENSES. Sets forth requirements and procedures for reimbursement for tax collection expenses.

Sec. 334.117. DEPOSIT OF TAX REVENUE. Requires revenue from the tax under this subchapter to be deposited in the community venue project fund of the municipality or county imposing the tax.

SUBCHAPTER E. ADMISSIONS TAX

Sec. 334.151. TAX AUTHORIZED. Authorizes a municipality, by ordinance, or a county, by order, to impose a tax on each person admitted to events at an approved community venue project which has been paid for by the issuance of bonds. Prohibits a municipality or county from imposing a tax under this subchapter at a community venue that is not an approved community venue project or which has not been paid for by the issuance of bonds. Authorizes a municipality or county to impose a tax under this subchapter if certain provisions are met.

Sec. 334.152. TAX RATE. Sets forth the tax rate imposed on each person. Requires a ballot proposition at the election held to adopt the tax to specify that maximum rate of tax. Authorizes a municipality, by ordinance, or a county, by order, to repeal or decrease the rate of tax under this subchapter. Sets forth the required language for a ballot for an election to increase the tax rate.

Sec. 334.153. RATE INCREASE. Authorizes a municipality or county that has adopted a tax under this subchapter at the rate of less than \$1 a person, by ordinance or order, to increase the rate of the tax to a maximum of \$1, if the increase is approved by a majority of the registered voters of that municipality or county voting at an election called and held for that purpose. Sets forth the required language of the ballot.

Sec. 334.154. COLLECTION. Authorizes a municipality, by ordinance, or a county, by order, to require the owner or lessee of an approved community venue project to collect taxes for the benefit of the municipality. Sets forth requirements for collection of the tax. Provides that the tax imposed under this subsection is not an occupation tax imposed on the owner or lessee of the approved community venue project.

Sec. 334.155. EFFECTIVE DATE AND ENDING DATE OF TAX. Sets forth the beginning and ending dates of a tax under this subchapter.

Sec. 334.156. COLLECTION OF TAX. Requires a person required to collect a tax imposed under this subchapter to report and send the taxes collected to the municipality or county imposing the tax. Sets forth requirements for penalties for failure to report or send taxes and for reimbursement for collecting and reporting taxes.

Sec. 334.157. DEPOSIT OF TAX REVENUE. Requires revenue from the tax under this subchapter to be deposited in the community venue project fund of the municipality or county imposing the tax.

SUBCHAPTER F. PARKING TAX

Sec. 334.201. EVENT PARKING TAX. Authorizes a municipality, by ordinance, or a county, by order, to impose a tax on each motor vehicle parking in a parking facility of an approved community venue project. Sets forth requirements for imposing the tax.

Sec. 334.202. TAX RATE. Sets forth the rate of the tax. Requires a ballot proposition at the election held to adopt the tax to specify that maximum rate of tax. Authorizes a municipality, by ordinance, or a county, by order, to repeal or decrease the rate of tax under this subchapter.

Sec. 334.203. RATE INCREASE. Sets forth requirements for a rate increase. Sets forth required language for a ballot for an election to increase the rate of tax.

Sec. 334.204. COLLECTION. Authorizes a municipality, by ordinance, or a county, by order, to require the owner or lessee of an approved community venue project to collect taxes for the benefit of the municipality. Sets forth requirements for collection of the tax. Provides that the tax imposed under this subsection is not an occupation tax imposed on the owner or lessee of the approved community venue project.

Sec. 334.205. EFFECTIVE DATE AND ENDING DATE OF TAX. Sets forth beginning and ending dates of a tax under this subchapter.

Sec. 334.206. COLLECTION OF TAX. Requires a person required to collect a tax imposed under this subchapter to report and send the taxes collected to the municipality or county imposing the tax. Sets forth requirements for penalties for failure to report or send taxes and for reimbursement for collecting and reporting taxes.

Sec. 334.207. DEPOSIT OF TAX REVENUE. Requires revenue from the tax under this subchapter to be deposited in the community venue project fund of the municipality or county imposing the tax.

CHAPTER 335. COMMUNITY VENUE DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec 335.001. DEFINITIONS. Defines "approved community venue project," "board," "district," "related infrastructure," "community venue," and "community venue project."

Sec. 335.002. APPLICATION OF CHAPTER. Sets forth the application of this chapter.

Sec. 335.003. APPLICATION TO COMMUNITY VENUE CONSTRUCTED UNDER OTHER LAW. Authorizes a court or municipality to use this chapter for a community venue project relating to a community venue and certain related infrastructures.

Sec. 335.004. OTHER USES OF COMMUNITY VENUE PERMITTED. Provides that this chapter does not prohibit the use of a community venue for an event that is not related to sports.

SUBCHAPTER B. COMMUNITY VENUE DISTRICT

Sec. 335.021. CREATION. Sets forth requirements to create a community venue district.

Sec. 335.022. ORDER CREATING DISTRICT. Authorizes two or more counties or municipalities or one or more municipalities or counties to create a district by adopting concurrent orders. Sets forth requirements of concurrent orders.

Sec. 335.023. POLITICAL SUBDIVISION; OPEN MEETINGS. Provides that a district is a political subdivision of the creating political subdivisions and of this state. Provides that a district is subject to Chapter 551, Government Code.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 335.031. COMPOSITION AND APPOINTMENT OF BOARD. Sets forth the requirements for constituency, appointment, and qualifications of the board of directors (board).

Sec. 335.032. COMPENSATION. Provides that a board member is not entitled to be compensated but is entitled to reimbursement for actual and necessary expenses.

Sec. 335.033. MEETINGS. Requires the board to conduct meetings in the district.

Sec. 335.034. OFFICERS. Requires the board to designate certain officers.

SUBCHAPTER D. COMMUNITY VENUE PROJECTS

Sec. 335.051. RESOLUTION AUTHORIZING PROJECT. Authorizes a county or municipality, by resolution, to provide for planning, acquisition, establishment, development, construction, or renovation of a community venue project if certain provisions are met. Sets forth the requirements of the resolution.

Sec. 335.052. STATE FISCAL IMPACT ANALYSIS. Requires the municipality or county to send a copy of the resolution to the comptroller before calling an election. Sets forth duties of the comptroller after receipt of the resolution. Sets forth duties of the comptroller if the resolution is not received in a timely manner.

Sec. 335.053. APPEAL OF COMPTROLLER DETERMINATION. Authorizes the municipality or county to take certain actions for a resolution deemed to have a negative fiscal impact. Sets forth duties of the comptroller under this section.

Sec. 335.054. ELECTION. Authorizes a municipality or county to order an election if a resolution does not have a negative fiscal impact. Sets forth the requirements of the order calling the election and provisions regarding the resolution. Sets forth the requirements of the ballot. Provides that the Election Code governs an election under this section.

SUBCHAPTER E. POWERS AND DUTIES

Sec. 335.071. GENERAL POWERS OF DISTRICT. Authorizes a district to perform any act necessary to the full exercise of a district's powers under this chapter. Sets forth the

powers of a district under this chapter.

Sec. 335.072. COMMUNITY VENUE PROJECT FUND. Requires a district in which an approved community venue project is located to establish, by resolution, a community venue project fund (fund). Sets forth deposits to go into the fund. Sets forth uses of the fund. Provides that money deposited in the fund is the property of the district depositing the money.

Sec. 335.073. BONDS AND OTHER OBLIGATIONS. Authorizes a district in which an approved community venue project is located to issue bonds to pay the costs of the approved community venue project. Sets forth requirements of the bonds.

Sec. 335.074. PUBLIC PURPOSE OF PROJECT. Provides that the legislature finds for all constitutional and statutory purposes that an approved community venue project is owned, used, and held for public purposes by the district. Provides that Section 25.07(a), Tax Code, does not apply to a leasehold or other possessory interest granted by the district while the district owns the project. Provides that the project is exempt from taxation under Section 11.11, Tax Code, while the district owns the project.

SECTION 2. Emergency clause.

Effective date: upon passage.