

## **BILL ANALYSIS**

Senate Research Center

H.B. 2844  
By: Brimer (Moncrief)  
Economic Development  
5/13/1999  
Engrossed

### **DIGEST**

Last session, the "stadium bill" clarified the fact that voter approval is needed before municipal hotel occupancy taxes are used for stadium construction. However, in 1998, the city of Round Rock considered financing a new baseball stadium without voter approval, by dedicating existing hotel occupancy taxes for "convention center facilities" to the stadium. H.B. 2844 sets forth provisions regarding the purposes for which the municipal hotel occupancy tax may be used.

### **PURPOSE**

As proposed, H.B. 2844 sets forth provisions regarding the purposes for which the municipal hotel occupancy tax may be used.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 351.001(2), Tax Code, to redefine "convention center facilities" and "convention center complex."

SECTION 2. Amends Section 151.429, Tax Code, to provide that the rebate, refund, or payment of sales and use taxes does not apply to a qualified hotel project described under Subsection (i). Authorizes a qualified hotel project, after January 1, 1999, to be constructed in each eligible central municipality (municipality), as defined by Section 351.001. Provides that this subsection does not apply to a municipality with a population of 1,500,000 or more.

SECTION 3. Amends Section 351.102, Tax Code, to authorize a municipality to pledge the revenue derived from the tax imposed under this chapter from certain qualified hotel projects for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel. Authorizes a municipality, for bonds or other obligations issued under this subsection, to only pledge revenue or other assets of the qualified hotel project benefitting from those bonds or other obligations.

SECTION 4. Amends Section 2303.003(8), Government Code, to define "qualified hotel project."

SECTION 5. Amends Section 2, Article 1269j-4.1, V.T.C.S., to authorize a municipality to take certain actions in regards to certain hotels. Authorizes a municipality to issue bonds or incur other obligations to acquire, lease, construct, or equip certain hotels.

SECTION 6. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 7. Emergency clause.