

BILL ANALYSIS

Senate Research Center

H.B. 3595
By: Morrison (Kolkhorst)
Natural Resources & Economic Development
5/19/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are concerns that certain municipalities, such as the City of Victoria, are not permitted to use hotel occupancy tax funds to construct sports facilities. Interested parties note that in the last few years, construction has been completed on a significant number of new hotel rooms in such municipalities in response to the state's recent economic growth. The parties contend that municipalities such as the City of Victoria want to have sports facilities and events in place to continue to attract overnight visitors to local hotels. H.B. 3595 seeks to address this issue.

H.B. 3595 amends current law relating to the use of municipal hotel occupancy tax revenue in certain municipalities.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 351.101, Tax Code, by adding Subsection (h), as follows:

(h) Authorizes a municipality described by Subsection (a)(7)(B)(viii) (relating to a municipality that is located in a county that has not more than 300,000 and in which a component university of the University of Houston System is located), as added by Chapter 546 (S.B. 585), Acts of the 83rd Legislature, Regular Session, 2013, in addition to the uses authorized by Subsection (a) (providing that revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry), to use revenue derived from the tax authorized by this chapter to promote tourism and the convention and hotel industry by constructing, maintaining, or expanding a sporting-related facility owned by the municipality if:

(1) the majority of the events at the facility involve participants staying at hotels in the municipality; and

(2) for a fiscal year, the municipality does not reduce the amount of that revenue that it uses for a purpose described by Subsection (a)(3) (providing that certain revenue be used for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates) to an amount that is less than the lesser of:

(A) the amount of that revenue used by the municipality for that purpose during the municipality's 2015 fiscal year; or

(B) the total amount of that revenue received in the fiscal year.

SECTION 2. Effective date: upon passage or September 1, 2015.