

## **BILL ANALYSIS**

Senate Research Center

H.B. 4187  
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Natural Resources & Economic Development  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In previous sessions, the municipal hotel tax was made available for the use of building sports facilities or fields to benefit tourism and the local economy without raising taxes.

H.B. 4187 holds municipalities accountable for the funds spent on sports facilities and fields from the hotel occupancy tax (HOT) fund through reports published every two and four years. Municipalities must include specific goals to make up for shortcomings in projects which do not add back to the HOT funds so as to promote economic stewardship. Municipalities must also make this report readily available on the internet for public access.

H.B. 4187 amends current law relating to the use of revenue from municipal hotel occupancy taxes for a sports facility or field 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 351.1078, Tax Code, by adding Subsections (a-1), (c), (d), and (e), as follows:

(a-1) Requires that the report described by Subsection (a)(2) (relating to requiring a municipality that spends municipal hotel occupancy tax (HOT) revenue to annually determine and prepare a certain report) be made accessible through a link that appears in a prominent place on the municipality's Internet website home page.

(c) Requires a municipality to which Subsection (a) applies, in addition to the report required by Subsection (a), on a certain date, prepare and publish a report on the municipality's Internet website as provided by Subsections (a)(2) and (a-1). Requires that the report identify:

(1) the total amount of area hotel revenue that is attributable to sporting events held at the facility or field since active construction or expansion of the facility or field was completed; and

(2) the total amount of municipal HOT revenue spent by the municipality to construct, operate, or expand the facility or field.

(d) Requires that the municipality, if the amount of money identified under Subsection (c)(1) is less than the amount of money identified under Subsection (c)(2), to, as soon as practicable, develop and implement a plan to increase the area hotel revenue that is attributable to sporting events held at the facility or field. Requires that the plan include specific strategies for accomplishing this goal by a certain date.

(e) Requires that a municipality, for purposes of determining the amount of revenue required to be identified under Subsection (c)(1), if a sporting event described by that

subdivision is part of a sports tournament involving events that occur in more than one municipality, to multiply the total area hotel revenue attributable to that sporting event by a certain fraction.

SECTION 2. Effective date: upon passage or September 1, 2017.