

## **BILL ANALYSIS**

Senate Research Center  
85R6811 TJB-F

S.B. 2166  
By: Creighton  
Natural Resources & Economic Development  
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As Filed

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

Currently, certain municipalities can collect revenue pursuant to Chapter 351 (Municipal Hotel Occupancy Tax), Tax Code. However, Chapter 351 does not provide municipalities the right to use hotel occupancy tax (HOT) revenue to construct sports-related facilities.

S.B. 2166 provides the City of Shenandoah (the city), and other cities that meet S.B. 2166's criteria, the right to use HOT revenue to construct a multi-use facility with a sports component.

S.B. 2166 amends Chapter 351 to provide the city and other cities similarly situated the ability to use HOT revenue currently collected to support the construction of a multi-use facility with a sports component.

As proposed, S.B. 2166 amends current law relating to the use of municipal hotel occupancy tax revenues 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 Subsections (m) and (m-1), as follows:

(m) Authorizes, a municipality with a population of 6,500 or less that has at least 800 hotel rooms within the corporate boundaries of the municipality and that is located in a county adjacent to a county with a population of 3.3 million or more in addition to the uses authorized by Subsections (a) (relating to authorizing revenue from the municipal hotel occupancy tax (HOT) to be used to only promote tourism and the convention and hotel industry for certain uses) and (e) (relating to authorizing HOT revenue to be spent for certain day-to-day operations), and notwithstanding any provision of this chapter (Municipal Hotel Occupancy Taxes) to the contrary, to use revenue derived from the tax authorized by this chapter to directly enhance and promote tourism and the convention and hotel industry by acquiring sites for and constructing, improving, enlarging, equipping, repairing, operating, and maintaining certain municipally owned facilities.

(m-1) Authorizes a municipality described by Subsection (m) that issues obligations secured wholly or partly by revenue derived from the tax authorized by this chapter for a use described by that subsection to use that revenue for those uses as long as the obligations are outstanding even if the municipality is no longer a municipality described by that subsection.

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