

BILL ANALYSIS

Senate Research Center
86R9333 SMT-F

S.B. 1307
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Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, certain municipalities in Texas are authorized to receive a rebate of certain state taxes to pay for bonds or other obligations incurred by the city for construction of a convention center hotel and related facilities. Additionally, certain municipalities are also authorized to use their existing occupancy tax revenue to invest in new facilities and related infrastructure under certain circumstances.

S.B. 1307 seeks to provide the City of Webster with this additional economic development tool using certain state taxes and expand the city's ability to utilize its existing hotel occupancy tax revenue for the construction, improvement, enlarging, equipping, renovating, repairing, operation, and maintenance of a venue, including a hotel, resort, or convention center facility in order to strengthen tourism and better position the city to act quickly to provide needed conference space.

As proposed, S.B. 1307 amends current law relating to the use of hotel occupancy tax revenue by certain municipalities, including the authority to pledge certain revenue for the payment of obligations related to hotel projects.

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 (q), as follows:

(q) Authorizes a municipality described by Section 351.102(e)(13), in addition to the purposes provided by Subsections (a) and (e) (relating to the authorized uses of municipal hotel occupancy tax revenue), to use revenue from the hotel occupancy tax for the construction, improvement, enlarging, equipping, renovating, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4) (relating to the definition of venue), Local Government Code, that is related to the promotion of tourism, including a hotel, resort, or convention center facility located on land owned by the municipality or a nonprofit corporation acting on behalf of the municipality.

SECTION 2. Amends Sections 351.102(e) and (g), Tax Code, as follows:

(e) Provides that, in addition to the municipalities described by Subsection (b) (relating to the authority of certain eligible central municipalities to pledge the revenue derived from municipal hotel occupancy taxes), that subsection also applies to:

(1)–(10) makes no changes to these subdivisions;

(11)–(12) makes nonsubstantive changes to these subdivisions;

(13) a municipality with a population of more than 10,000 that:

(A) is wholly located in a county with a population of four million or more; and

(B) has a city hall located less than three miles from a space center operated by an agency of the federal government.

(g) Prohibits a municipality to which this section applies from receiving or pledging revenue or funds under Subsection (b) or (c) (relating to the entitlement of a municipality to receive all funds from a project described by Subsection (b) and the authority to pledge those funds for the payment of certain obligations) for a hotel project unless the municipality enters into an agreement with a person for the development of the hotel project before September 1, 2021, rather than September 1, 2019.

SECTION 3. Effective date: upon passage or September 1, 2019.