

## **BILL ANALYSIS**

Senate Research Center  
85R9218 CBH-F

S.B. 1365  
By: Miles  
Natural Resources & Economic Development  
3/17/2017  
As Filed

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

The Texas hotel occupancy tax is a dedicated tax imposed on hotel guests in cities and counties that have adopted the tax. The tax can only be used to fund specific items provided for in statute. Current law has nine categories for the use of the tax and there are a few special provisions for the use of the tax for specific cities.

S.B. 1365 is a local bill and allows the City of Missouri City to use hotel occupancy taxes for promotion expenses that are directly related to attracting sporting events to the city where a majority of the participants in the events will be tourists who will stay in local hotels and motels located within the city. This bill would also allow the city to use hotel occupancy taxes to update old sporting event facilities.

As proposed, S.B. 1365 amends current law relating to the use of municipal hotel occupancy tax revenue by 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 and reenacts Section 351.101(a), Tax Code, as amended by Chapters 666 (H.B. 3772) and 979 (H.B. 3615), Acts of the 84th Legislature, Regular Session, 2015, as follows:

(a) Authorizes revenue from the municipal hotel occupancy tax to be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) to (5) Makes no changes to these subdivisions;

(6) expenses, rather than for a municipality located in a county with a population of one million or less, expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity if:

(A) the municipality is located in a county with a population of one million or less; or

(B) the municipality has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's territory located in a county with a population of at least 580,000, and the remaining territory located in a county with a population of at least four million;

(7) subject to Section 351.1076 (Allocation of Revenue: Certain Municipalities), the promotion of tourism by the enhancement and upgrading of existing sports

facilities or fields, including facilities or fields for baseball, softball, soccer, flag football, and rodeos if the municipality has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's territory located in a county with population of at least 580,000, and the remaining territory located in a county with a population of at least four million; and

(8) to (11) makes no changes to these subdivisions.

SECTION 2. Provides that to the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3. Effective date: upon passage or September 1, 2017.