

## **BILL ANALYSIS**

Senate Research Center  
85R24527 ADM-D

C.S.S.B. 2056  
By: Perry  
Natural Resources & Economic Development  
4/25/2017  
Committee Report (Substituted)

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

Although the City of Brownfield qualifies for multiple sections under Chapter 351.101, Tax Code, which allows a municipality to use hotel occupancy tax revenue to promote tourism, they are not permitted to use these funds to promote tourism through upgrades to existing sport facilities. If such upgrades were allowable, the city could host more and larger baseball tournaments, generating valuable tax revenue for the city through hotel stays.

For: City of Brownfield

Against: None at this time (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 2056 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 Subchapter B, Chapter 351, Tax Code, by adding Section 351.10711, as follows:

Sec. 351.10711. ALLOCATION OF REVENUE FOR MAINTENANCE, ENHANCEMENT, AND UPGRADE OF SPORTS FACILITIES AND FIELDS BY CERTAIN MUNICIPALITIES. (a) Provides that this section applies only to a municipality that is the county seat of a county that has a population of more than 10,000 and contains a portion of Mound Lake.

(b) Authorizes a municipality to which this section applies, in addition to other authorized uses, to use revenue derived from the tax imposed under this chapter (Municipal Hotel Occupancy Taxes) to promote tourism by maintaining, enhancing, or upgrading sports facilities or fields, provided that certain requirements are met.

(c) Prohibits a municipality that uses revenue derived from the tax imposed under this chapter as authorized by Subsection (b) from reducing the percentage of revenue from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(3) (relating to authorizing revenue from the tax to be used for certain advertising, solicitation, and promotional programs) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue as authorized by Subsection (b).

SECTION 2. Amends Section 351.1076(a), Tax Code, to include an authorization under Section 351.10711.

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