

BILL ANALYSIS

Senate Research Center
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H.B. 2209
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been noted that many municipalities in Texas currently have the authority to use certain municipal hotel occupancy tax revenue for constructing, improving, repairing, and operating a recreational facility or an arena used for rodeos, livestock shows, and agricultural expositions. This allows these municipalities the opportunity to improve facilities year-round and not just when in use for tourism purposes. There have been calls to extend this authority to additional municipalities, such as Carrizo Springs.

H.B. 2209 seeks to address this issue by authorizing certain municipalities to use municipal hotel occupancy tax revenue for enhancing and upgrading sports facilities and fields. H.B. 2209 amends the Tax Code to authorize a municipality that is the county seat of a county with a population of at least 8,500 that contains part of the Chaparral Wildlife Management Area to use revenue derived from the municipal hotel occupancy tax to promote tourism by enhancing and upgrading an existing sports facility or field, subject to certain conditions.

H.B. 2209 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 351.1069, as follows:

Sec. 351.1069. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. Authorizes a municipality described by Section 351.1066(a)(6) (relating to providing that allocation of revenue from municipal hotel occupancy taxes only applies to a municipality that is the county seat of a county with a population of at least 8,500 and that contains part of the Chaparral Wildlife Management Area), in addition to other authorized uses, to use revenue derived from the tax imposed under Chapter 351 (Municipal Hotel Occupancy Taxes) to promote tourism by enhancing and upgrading an existing sports facility or field, provided that the municipality complies with Section 351.1076 (Allocation of Revenue: Certain Municipalities).

SECTION 2. Amends Section 351.1076(a), Tax Code, as follows:

(a) Provides that a municipality that spends municipal hotel occupancy tax revenue for the enhancement and upgrading of existing sports facilities or fields as authorized by certain sections, including Section 351.1069:

(1) is required to determine the amount of municipal hotel occupancy tax revenue generated for the municipality by hotel activity attributable to the sports events and tournaments held on the enhanced or upgraded facilities or fields for five years after the date the enhancements and upgrades are completed; and

(2) is prohibited from spending hotel occupancy tax revenue for the enhancement and upgrading of the facilities or fields in a total amount that exceeds the amount of area hotel revenue attributable to the enhancements and upgrades.

SECTION 3. Effective date: upon passage or September 1, 2021.