

BILL ANALYSIS

C.S.H.B. 2961
By: Krusee
Local Government Ways and Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Last session, SB 1315 was passed which extended the authorized use of the municipal hotel occupancy tax to the expenses associated with sporting events in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity in municipalities of 65,000 or less.

CSHB 2961 would amend the tax code to allow more municipalities to participate by raising the population of municipalities located in a county from 65,000 to 250,000.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2961 changes the filed version only by drafting the Bill in Legislative Council form.

Section 351.101 (a), Tax Code, states that revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and gives the guidelines for these uses, including: (1) convention center facilities or visitor information centers; (2) facilities, etc., for the registration of convention delegates or registrants; (3) advertising and promotional programs to attract business to the municipality or its vicinity; (4) a general promotion of the arts; and (5) historical restoration and preservation projects or activities to encourage tourism with guidelines.

C.S.H.B. 2961 amends the code by stating that a municipality located in a county with a population of 250,000 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.

EFFECTIVE DATE

Immediately if it receives two-thirds of each house or September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute is a Legislative Council document. The same section is amended in the original bill.