

BILL ANALYSIS

Senate Research Center
80R4580 DAK-D

S.B. 462
By: Harris
Intergovernmental Relations
2/26/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law limits the total hotel occupancy tax revenue that can be appropriated for certain purposes. Prior to the enactment of these limitations in Chapter 351, Tax Code, some cities used the revenues to back bonds for the purpose of building community art centers. While these bonds are in place, the restrictions on the use of the revenues does not apply. However, once the local bonds are paid the limitation does apply and cities may experience operating shortfalls, with regard to these community centers.

As proposed, S.B. 462 authorizes certain municipalities to appropriate up to 24 percent of the total hotel occupancy tax revenue for art funding.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 351, Tax Code, by adding Section 351.1077, as follows:

Sec. 351.1077. ALLOCATION OF REVENUE FOR THE ARTS FOR CERTAIN MUNICIPALITIES. (a) Provides that this section applies to a municipality that has a population of more than 190,000 and is located in a county in which another municipality that has a population of more than one million is predominately located.

(b) Authorizes a municipality to which this section applies to use an amount that is less than or equal to 24 percent of the hotel occupancy tax revenue collected by the municipality to promote tourism and the convention and hotel industry for the purpose of the encouragement, promotion, improvement, and the application of the arts.

(c) Provides that this section expires on September 1, 2022.

SECTION 2. Effective date: upon passage or September 1, 2007.