

BILL ANALYSIS

C.S.H.B. 1397
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 2007, the legislature approved legislation providing the authority for certain municipalities to order an election for the purpose of approving the use of an existing venue sales tax to finance a venue project related to the original project.

C.S.H.B. 1397 grants certain municipalities the authority to call an election to construct a convention center with related infrastructure as part of an existing or previously approved sports and community venue project, regardless of whether the convention center is located on the premises of the existing venue project. The bill authorizes these municipalities, upon approval by voters, to collect an additional two percent hotel occupancy tax for the construction of the convention center and related infrastructure and for the maintenance of the venue project, including the convention center.

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. 1397 amends the Local Government Code to add provisions that apply only to a municipality that has a population of at least 176,000, that borders the Rio Grande, and that approved a sports and community venue project before January 1, 2009. The bill authorizes such a municipality to hold an election on the question of approving and implementing a resolution to authorize the municipality to plan, acquire, establish, develop, construct, or renovate a convention center and related infrastructure in the city limits of the municipality as part of an existing or previously approved sports and community venue project regardless of whether the convention center is located on the premises of the existing or previously approved venue project; impose a hotel occupancy tax at a rate not to exceed two percent of the cost of a room; and authorize the municipality to finance, operate, and maintain the venue project, including the convention center, using the revenue from any taxes imposed by the municipality for a sports and community venue, including taxes previously approved in relation to the existing or previously approved venue project. The bill authorizes the municipality to implement the resolution if the resolution is approved by a majority vote.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1397 differs from the original by specifying that a municipality to which its provisions apply has a population of at least 176,000, rather than at least 217,000 as in the original.