

BILL ANALYSIS

C.S.H.B. 3098
By: Bolton
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry. Many hotels located in general law cities seek to become tourism destinations; using hotel occupancy tax funds to construct and maintain a recreational venue in the vicinity of a hotel will assist tourism in general law cities.

C.S.H.B. 3098 includes the construction of a recreational venue in the immediate vicinity of area hotels if the municipality is a general-law municipality, with specified parameters, in the uses of revenue from the municipal hotel occupancy tax authorized as tourism promotion.

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. 3098 amends the Tax Code to add to the limited purposes for which revenue from the municipal hotel occupancy tax may be used in the promotion of tourism and the convention and hotel industry the construction of a recreational venue in the immediate vicinity of area hotels in a general-law municipality with a population of not more than 900 that does not impose a property tax, and not more than \$100,000 of municipal hotel occupancy tax revenue is used for the construction of the venue, a majority of the hotels in the municipality request the municipality to construct the venue, the recreational venue will be used primarily by hotel guests, and the municipality will pay for maintenance of the recreational venue from the municipality's general fund.

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. 3098 differs from the original by omitting the construction and maintenance of a children's playground located in the vicinity of a hotel in a general law city from the authorized uses of revenue from the municipal hotel occupancy tax and instead adding as an authorized use the construction of a recreational venue under certain conditions.