

## **BILL ANALYSIS**

C.S.H.B. 4661  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The City of College Station plans to build a 90,000 square-foot convention center to serve the Brazos Valley region. The economic impact of the construction and operation of the convention center is anticipated to include the creation of both permanent and temporary jobs, spending as a result of the convention center's activities, and tax revenues generated either directly or indirectly by the facility.

C.S.H.B. 4661 adds temporary law authorizing certain home-rule municipalities to increase the hotel occupancy tax rate to 7.75 percent and requiring the revenue derived from a rate exceeding seven percent to be applied to the costs associated with building a convention center. The bill prohibits such a municipality from raising the tax rate above seven percent until it executes a contract for the construction of 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. 4661 amends the Tax Code to authorize a hotel occupancy tax rate not to exceed 7.75 percent of the price paid for a room in a home-rule municipality originally chartered in or after 1938 that is home to a major state university and in a county bordered by the Brazos and Navasota Rivers. The bill requires the municipality to use all the amount of revenue derived from the application of the tax at a rate of more than seven percent for the purpose of construction of a convention center. The bill prohibits the municipality from raising its hotel occupancy tax rate above seven percent until it has executed a contract for construction of the convention center. This bill specifies that its provisions expire on the date the governing body of the municipality certifies that all debt relating to the convention center payable from the tax, including interest and any costs relating to the debt, has been paid in full or a deposit has been made and an escrow agreement in relation to the debt has been executed.

### **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. 4661 differs from the original by making nonsubstantive changes to reflect legislative drafting conventions. The substitute adds language not included in the original establishing an expiration date for its provisions.