

BILL ANALYSIS

C.S.S.B. 1247
By: Harris
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the Tax Code provisions relating to municipal hotel occupancy allow for eligible central municipalities, those with a population of over 440,000 in certain counties, to receive certain rebates for sales and use tax and hotel occupancy taxes imposed by the State of Texas, if the hotel convention center projects meet certain criteria. The purpose of C.S.S.B. 1247 is to clarify municipal bonding authority and to expand the population bracket to include additional cities under the Tax Code provisions.

As proposed, C.S.S.B. 1247 redefines an eligible municipality to mean a municipality with a population of more than 140,000, rather than 440,000 located in certain counties. It includes as eligible for the rebate convention center entertainment related facilities and restaurants ancillary to the hotel and sets the limit for eligible parking facilities to within 1000 feet of the convention center or eligible hotel.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 351.001(7), Tax Code, to redefine "eligible central municipality" as a municipality with a population of more than 140,000, rather than 440,000, but less than 1.5 million that is located in a county with a population of one million or more and that has adopted a capital improvement plan for the expansion of an existing convention center facility.

SECTION 2. Limits eligible central municipalities under 440,000 in population from raising their hotel occupancy tax rate under Section 351.003(b), Tax Code.

SECTION 3. Clarifies that convention center entertainment related facilities and restaurants ancillary to the convention center hotel project qualify for the rebate. It further clarifies that the facilities such as parking lots have also to be within a 1,000 feet of hotel facility to be eligible. It further clarifies that a city can pledge funds for the repayment of obligations from eligible taxable proceeds generated by qualified hotel projects.

SECTION 4. Amends Section 1504 the Government Code by adding convention center entertainment related facilities and restaurants ancillary to the convention center hotel project. Clarifies the facilities must be within a 1,000 feet of the hotel or convention center facility.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2009.

EFFECTIVE DATE

Effective date: September 1, 2009.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.S.B 1247 differs from the original version of this bill by lowering the population requirement from 325,000 to 140,000.

C.S.S.B. 1247 also differs from the original by excluding eligible central municipalities with a population less than 440,000 from the provision allowing for an additional 2% municipal hotel tax. The original version had no such provision.

C.S.S.B. 1247 clarifies that entertainment facilities and restaurants connected to the convention center hotel project qualify for the rebate. It further clarifies that the facilities such as parking lots have also to be within a 1,000 feet of hotel facility to be eligible. It further clarifies that a city can pledge funds for the repayment of obligations from eligible taxable proceeds generated by qualified hotel projects. The original version had no such provision.

C.S.S.B 1247 amends section 1504 the Government Code that corresponded with Chapter 351 of the Tax Code by making the same conforming changes to expressly include entertainment facilities and restaurants connected to convention center hotel projects. The original version had no such provision.