

BILL ANALYSIS

C.S.H.B. 737
By: Otto
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The East Montgomery County Improvement District was established several years ago in order to promote economic and community development in the district territory. C.S.H.B. 737 seeks to expand the applicable definition of "venue" in order to continue the district goals, and to repeal a certain provision.

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. 737 amends the Special District Local Laws Code to include in the definition of "venue," for purposes of the East Montgomery County Improvement District, an arena, coliseum, stadium, or other type of area or facility that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including rodeos, livestock shows, agricultural expositions, promotional events, and other civic or charitable events and for which a fee for admission to the events is charged or is planned to be charged.

C.S.H.B. 737 repeals Section 3846.155(c), Special District Local Laws Code, relating to prescribed ballot language for a proposition to increase the district sales tax.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 737 omits a provision included in the original specifying that an authorized improvement project or service of the East Montgomery County Improvement District includes the construction, acquisition, lease, rental, installment purchase, improvement, rehabilitation, repair, relocation, and operation of, among other things, an authorized venue project.

C.S.H.B. 737 omits a provision included in the original providing that if a political subdivision imposes, or increases the rate of, a sales tax in the development zone of the district, the sales tax authorized by the political subdivision, rather than that authorized by the district, is reduced if the combined sales tax rate in the zone exceeds the two percent cap on the county sales tax.

C.S.H.B. 737 omits a provision included in the original establishing legislative findings relating to the public purpose of a venue project in the district; making tax provisions relating to leasehold and other possessory interests in exempt property inapplicable to a leasehold or other possessory interest granted by the district while the district owns a venue project and exempting

a venue project from property taxation while the district owns the project; and in provisions that are inapplicable if the operator of a venue project is a political subdivision, requiring the operator, if approval and implementation of a resolution to authorize a venue project results in the removal of real property from a school district's property tax rolls, to pay to the school district on January 1 of each year in which the project is in operation and in which the real property is exempt from property taxation an amount equal to the property taxes that otherwise would have been levied on that real property by the school district for the preceding tax year, not including the value of any improvements.

C.S.H.B. 737 omits a provision included in the original authorizing the district to impose a hotel occupancy tax on certain hotels located in the district and specifying that imposition of a hotel occupancy tax in the district by a political subdivision does not diminish or limit the district's authority to impose a hotel occupancy tax.