

BILL ANALYSIS

C.S.H.B. 3296
By: Raney
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerned parties maintain that the Texas A&M University football stadium is in need of renovation and that certain entities do not have the necessary flexibility to provide substantial support. In addition, these parties assert that there are statutory provisions relating to tourism in need of revision. C.S.H.B. 3296 seeks to address these issues.

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. 3296 amends the Tax Code to cap the county hotel occupancy tax rate imposed by the commissioners court of a county that has a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers at 2.75 percent of the price paid for a room in a hotel if the following conditions are met:

- the convention and visitors bureau within the county executes a preferred access facilities contract with a major state university based in the county for the purpose of promoting tourism in the county;
- the county allocates, for payments to the university under the preferred access facilities contract to be used for the renovation of a stadium located in the county and owned by the university, the portion of the revenue received by the county that is derived from the application of the tax at a rate of more than two percent; and
- not more than 30 years have passed from the date bonds were originally issued by the university to finance a stadium renovation project for the stadium.

The bill establishes that this cap expires on the date the county commissioners court certifies that all debt issued or incurred by the university to finance or refinance the stadium renovation project payable from the tax, including interest and any costs relating to the debt, has been paid in full.

C.S.H.B. 3296 lowers from 45 to 20 the minimum percentage of the revenue from the county hotel occupancy tax that the county must spend on marketing projects that directly promote tourism, hotel, and convention activity. The bill repeals provisions relating to the imposition of a municipal hotel occupancy tax and its use in a home-rule municipality that was originally chartered in or after 1938, that is home to a major state university, and that is located in a county bordered by the Brazos and Navasota Rivers.

C.S.H.B. 3296 repeals Section 351.0035, Tax Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3296 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 352.003, Tax Code, is amended by adding Subsections (i-1) and (i-2) to read as follows:

(i-1) Notwithstanding Subsection (i), the tax rate in a county authorized to impose the tax under Section 352.002(g) may not exceed 2.75 percent of the price paid for a room in a hotel if:

(1) the convention and visitors bureau within the county executes a preferred access facilities contract with a major state university based in the county for the purpose of promoting tourism in the county;

(2) the county allocates, for payments to the university under the contract described by Subdivision (1) to be used for the renovation of a stadium located in the county and owned by the university, the portion of the revenue received by the county that is derived from the application of the tax at a rate of more than two percent of the price paid for a room in a hotel; and

(3) not more than 30 years have passed from the date bonds were originally issued by the university to finance a stadium renovation project for the stadium described by Subdivision (2).

(i-2) Subsection (i-1) and this subsection expire on the date the county commissioners court certifies that all debt relating to the stadium renovation project 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.

SECTION 2. Section 352.1034(b), Tax Code, is amended.

SECTION 3. Section 351.0035, Tax Code, is repealed.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 352.003, Tax Code, is amended by adding Subsections (i-1) and (i-2) to read as follows:

(i-1) Notwithstanding Subsection (i), the tax rate in a county authorized to impose the tax under Section 352.002(g) may not exceed 2.75 percent of the price paid for a room in a hotel if:

(1) the convention and visitors bureau within the county executes a preferred access facilities contract with a major state university based in the county for the purpose of promoting tourism in the county;

(2) the county allocates, for payments to the university under the contract described by Subdivision (1) to be used for the renovation of a stadium located in the county and owned by the university, the portion of the revenue received by the county that is derived from the application of the tax at a rate of more than two percent of the price paid for a room in a hotel; and

(3) not more than 30 years have passed from the date bonds were originally issued by the university to finance a stadium renovation project for the stadium described by Subdivision (2).

(i-2) Subsection (i-1) and this subsection expire on the date the county commissioners court certifies that all debt issued or incurred by the university to finance or refinance the stadium renovation project described by Subsection (i-1), including interest and any costs relating to the debt, has been paid in full.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 4. Same as introduced version.