

BILL ANALYSIS

Senate Research Center

S.B. 660
By: West
Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 82nd Legislature expanded Chapter 372 (Improvement Districts in Municipalities and Counties), Local Government Code, to allow municipalities to create public improvement districts (PIDs) composed solely of hotels with 100 or more rooms for the purposes of economic development. In 2012, the City of Dallas approved the creation of the Dallas Tourism PID upon petition of over 60 percent of local hoteliers. This district provides a means for funding marketing and incentives to secure increased conventions and group meetings, and promotes economic development in the Dallas area.

The existing language found in Chapter 372, Local Government Code, allows municipalities to collect the self-assessments from hoteliers within the district through the procedures that are commonly in place for collection of ad valorem property tax assessments. However, the self-assessments for tourism PIDs are based on total hotel tax sales and not on property tax valuations. This inconsistency causes difficulty for both hoteliers and the City of Dallas.

S.B. 660 remedies this by allowing those municipalities that create a tourism PID to use the same procedures for collection of the assessments that the city already has in place for collection of the local hotel occupancy tax. This will provide greater consistency and ease in the collection process for both the city and participating hotels.

S.B. 660 amends current law relating to the collection, receipt, and use of assessments and other types of revenue for certain public improvement projects in certain municipalities.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 372.0035, Local Government Code, by adding Subsection (d), as follows:

(d) Authorizes a municipality that undertakes a project under this section to:

(1) adopt procedures for the collection of assessments under this chapter that are consistent with the municipality's procedures for the collection of a hotel occupancy tax under Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code; and

(2) pursue remedies for the failure to pay an assessment under this chapter that are available to the municipality for failure to pay a hotel occupancy tax under Chapter 351, Tax Code.

SECTION 2. Amends Section 351.106, Tax Code, by adding Subsection (c), as follows:

(c) Provides that a municipality to which this section applies:

(1) is entitled to receive in the same manner all funds and revenue that a municipality to which Section 351.1015 (Certain Qualified Projects) applies is authorized to receive under that section; and

(2) is authorized to pledge funds and revenue for the payment of obligations incurred for the construction of qualified projects authorized under that section.

SECTION 3. Effective date: upon passage or September 1, 2013.