

BILL ANALYSIS

Senate Research Center
84R21356 GRM-F

H.B. 3629
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Natural Resources & Economic Development
5/20/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3629 amends current law relating to use and allocation of municipal hotel occupancy tax revenues for 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 351.101, Tax Code, by adding Subsection (i), as follows:

(i) Authorizes a municipality that has a population of at least 75,000 but not more than 95,000 and that is located in a county that has a population of more than 160,000 but less than 200,000, in addition to the purposes provided by Subsection (a) (related to the use of municipal hotel occupancy tax), to use revenue from the municipal hotel tax to promote tourism and the convention and hotel industry by constructing, operating, or expanding a sporting related facility or sports field owned by the municipality, if the majority of the events at the facility or field are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in the municipality.

SECTION 2. Amends Subchapter B, Chapter 351, Tax Code, by adding Section 351.1078, as follows:

Sec. 351.1078. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) Provides that a municipality that spends municipal hotel occupancy tax revenue as authorized by Section 351.101(i):

(1) is prohibited from using municipal hotel occupancy tax revenue for the acquisition of land for the sporting related facility or sports field described by that subsection;

(2) is required to annually determine and prepare and publish on the municipality's Internet website a report on the events held at the facility or field, the number of hotel room nights attributable to events held at the facility or field, and the amount of hotel revenue and municipal tax revenue attributable to the sports events and tournaments held at the facility or field for five years after the date the construction expenditures are completed; and

(3) is authorized to spend hotel occupancy tax revenue only for operational expenses of the facility or field if the costs are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in or near the municipality.

(b) Requires the municipality to reimburse to the municipality's hotel occupancy tax revenue fund from the municipality's general fund any expenditure in excess of the amount of area hotel revenue attributable to sporting events held at the sporting related facility or sports field described by Section 351.101(i) for five years after the date the construction or expansion of the facility or field described by that subsection is completed.

SECTION 3. Effective date: upon passage or September 1, 2015.