

## **BILL ANALYSIS**

H.B. 3097  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Recently enacted legislation authorized many cities in Texas to use certain tax revenues for hotel and convention center projects. However, the COVID-19 pandemic has caused considerable disruption to the hospitality industry. Concerns have been raised regarding the ambiguous point at which these qualified projects commence for purposes of the entitlement to receive certain tax revenue, which has resulted in an abundance of confusion with regard to progress on these projects. H.B. 3097 seeks to remedy this situation by clarifying the circumstances under which a municipality is considered to have commenced a hotel and convention center project for purposes of the entitlement to receive certain tax revenue and by giving these municipalities more time to commence these projects going forward.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

H.B. 3097 amends the Tax Code to postpone from September 1, 2023, to September 1, 2025, the deadline by which a municipality must commence a qualified municipal hotel and convention center project for purposes of eligibility to receive revenue derived from the sales and use tax and mixed beverage tax generated, paid, and collected from a qualified establishment located in the municipality. A municipality commences a qualified municipal hotel and convention center project on the date the municipality, by ordinance or resolution, does the following:

- authorizes the issuance of bonds or other obligations related to the qualified project; or
- executes or amends the following:
  - a contract authorized under an economic development program related to the qualified project; or
  - an interlocal agreement related to the qualified project.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.