

## **BILL ANALYSIS**

Senate Research Center  
87R9310 SRA-D

H.B. 3682  
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Natural Resources & Economic Development  
5/18/2021  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The City of Baytown has existing sports facilities that could host large-scale tournaments and that would attract visitors to the area, but these facilities are not currently configured to adequately host these tournaments. It has been suggested that Baytown be allowed to use a portion of its currently authorized hotel occupancy tax to provide the city an additional source of revenue for use in enhancing these facilities.

H.B. 3682 seeks to grant the city the authority to do so by amending the Tax Code to authorize a municipality that has a population of 70,000 or more but less than 90,000 and is located in two counties, one of which has a population of four million or more and the other of which has a population of less than 50,000, to use revenue from the municipal hotel occupancy tax for the promotion of tourism. H.B. 3682 specifies that these funds are to be used for the enhancement and upgrading of an existing municipally-owned sports facility or field as specified by applicable state law that has been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments, provided that certain budgetary requirements are met.

H.B. 3682 amends current law relating to the use of municipal hotel occupancy tax revenue by 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 (s), as follows:

(s) Authorizes a municipality that has a population of 70,000 or more but less than 90,000 and is located in two counties, one of which has a population of four million or more and the other of which has a population of less than 50,000, in addition to other authorized uses, to use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7) (relating to limiting the use of revenue from a municipal hotel occupancy tax to the promotion of tourism by the enhancement or upgrading of sports facilities or fields), provided that the requirements of Subsections (a)(7)(A) (relating to limiting the use of revenue from a municipal hotel occupancy tax to the promotion of tourism by the enhancement or upgrading of sports facilities or fields if the municipality owns the facilities or fields) and (C) (relating to limiting the use of revenue from a municipal hotel occupancy tax to the promotion of tourism by the enhancement or upgrading of sports facilities or fields if the sports facilities or fields have been used more than 10 times for certain tournaments in the preceding year) and Section 351.1076 (Allocation of Revenue: Certain Municipalities) are met.

SECTION 2. Effective date: upon passage or September 1, 2021.