

BILL ANALYSIS

C.S.H.B. 4682
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, certain municipalities in Texas are authorized to receive certain tax revenue derived from hotel and convention center projects, which can then be used for the payment of obligations related to the project. The bill author has informed the committee that this financial tool assists municipalities with the financing of headquarter hotel facilities designed to support convention centers but that municipalities without this authorization are at a disadvantage compared to other municipalities that have access to this financial tool. C.S.H.B. 4682 seeks to provide Plano, in Collin County, which continues to be one of the fastest growing areas in Texas, the tools to secure future development by including a municipality that meets certain population and geographic criteria among the municipalities entitled to receive certain tax revenue derived from a hotel and convention center project and authorized to use that revenue to support the project and by expanding the purposes for which such a municipality may use municipal hotel occupancy tax revenue.

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

C.S.H.B. 4682 amends the Tax Code to do the following with respect to a municipality with a population of more than 285,000 that is wholly located in two counties, each with a population of more than 900,000:

- authorize the municipality to use revenue from the hotel occupancy tax for the construction, improvement, enlarging, equipping, renovating, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by reference to Local Government Code provisions relating to sports and community venues, that is related to the promotion of tourism, including a hotel, resort, or convention center facility located on land owned by the municipality or a nonprofit corporation acting on behalf of the municipality;
- establish that this authorization does not authorize the municipality to use such revenue for the construction, improvement, enlarging, equipping, renovating, repairing, operation, or maintenance of a road, street, or water or sewer facility;
- entitle the municipality to receive certain tax revenue derived from a hotel and convention center project and authorize the municipality to pledge or commit certain tax revenue for the payment of obligations related to the project; and

- make applicable to the municipality statutory provisions relating to the recapture of lost state tax revenue from certain municipalities.

C.S.H.B. 4682 establishes that, to the extent of any conflict, the bill prevails over another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4682 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision absent from the introduced establishing that the authorization for a municipality described by the bill to use revenue from the hotel occupancy tax for specified purposes regarding a coliseum or multiuse facility and related infrastructure or certain venues that are related to the promotion of tourism, including a hotel, resort, or convention center facility located on land owned by the municipality or a nonprofit corporation acting on behalf of the municipality, does not authorize the municipality to use such revenue for the construction, improvement, enlarging, equipping, renovating, repairing, operation, or maintenance of a road, street, or water or sewer facility.

The substitute omits a provision from the introduced entitling the municipality to receive the sales and use tax and, if applicable, mixed beverage tax revenue derived from qualifying restaurants, bars, retail establishments, swimming pools, and swimming facilities located near the qualified hotel or convention center facility.