

BILL ANALYSIS

C.S.H.B. 5088
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Culture, Recreation & Tourism
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, the Texas Economic Development and Tourism Office (EDT) within the governor's office is responsible for conducting and publishing economic impact studies for events receiving funds through the major events reimbursement program. However, the bill author has informed the committee that local organizing committees, endorsing municipalities, or endorsing counties are better suited to conduct these assessments and that endorsing entities typically prefer to submit their share directly to EDT instead of remitting or retaining that revenue as outlined under current law. C.S.H.B. 5088 seeks to enhance program efficiency by transferring the responsibility for post-event economic impact studies from EDT to the local organizing committees, endorsing municipalities, or endorsing counties. The bill also repeals a provision that allows the comptroller of public accounts to withhold local funds to meet the events trust fund local share requirement.

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. 5088 amends the Government Code to replace the Texas Economic Development and Tourism Office (EDT) with the local organizing committee, endorsing municipality, or endorsing county as the entity required to do the following:

- complete an economic impact study in the market area of an event eligible for disbursements from the major events reimbursement fund not later than the 10th month after the last day of the event; and
- post the results of the study on the entity's website.

C.S.H.B. 5088 repeals Government Code provisions that do the following with respect to the deposit into the events trust fund (ETF) of certain municipal and county tax revenue based on the estimated incremental increase in tax receipts attributable to an eligible event, as determined by EDT:

- require an endorsing municipality or endorsing county to remit the applicable amount of its hotel occupancy tax revenue to the comptroller of public accounts and require the comptroller to deposit that remitted tax revenue into the ETF; and
- require the comptroller to retain the applicable amount of sales and use tax revenue and mixed beverage tax revenue and deposit that retained tax revenue to the ETF.

The bill accordingly replaces the authorization for an endorsing municipality or endorsing county, in lieu of remittance or retention of tax revenues under the repealed provision, to remit to EDT for deposit to the ETF other local money in an amount equal to the applicable amount of tax revenue for each of the specified tax types based on the estimated incremental increase with a requirement for the municipality or county to remit that amount of local money to EDT for such deposit.

C.S.H.B. 5088 repeals Section 480.0152, Government Code.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5088 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 makes a technical correction to the section number of the repealed provision. The substitute includes a provision not in the introduced that replaces the authorization for an endorsing municipality or endorsing county, in lieu of remittance or retention of tax revenues under the repealed provision, to remit a corresponding amount of local money to EDT for deposit to the ETF with a requirement for the municipality or county to remit that amount of local money to EDT for such a deposit.