

BILL ANALYSIS

Senate Research Center
89R23864 JBD-D

C.S.S.B. 1071
By: Eckhardt
Economic Development
4/30/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

State law authorizes certain counties to impose a hotel occupancy tax—revenue from which is primarily to promote tourism and local attractions. Hotels and convention centers are important economic drivers for local communities. They can attract tourists, business travelers, and conventions, which can generate significant economic activity through increased spending at local businesses, job creation, and tax revenue.

Section 351.157, Tax Code, authorizes municipalities to collect certain tax revenue on restaurants, bars, retail establishments, swimming pools, and facilities that are within 1,000 feet of a qualified hotel or convention center and are constructed on or after the date the municipality commences a qualified project. S.B. 1071 seeks to add the city of Pflugerville to Section 351.157, Tax Code, and authorize the city to retain its sales, use, and hotel occupancy tax revenue generated by a hotel project, along with eligible tax proceeds, for 10 years.

This legislation is supported by the city of Pflugerville. There is no known opposition to this bill.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1071 amends current law relating to the authority of certain municipalities to receive certain tax revenue derived from a hotel and convention center project and to pledge certain tax revenue for the payment of obligations related to the project.

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 351.152, Tax Code, as follows:

Sec. 351.152. APPLICABILITY. Provides that Subchapter C (Municipal Hotel and Convention Center Projects) applies only to certain municipalities, including a municipality that has a population of 10,000 or more but less than 75,000; is located in two counties, one of which is a county in which the State Capitol is located; and hosts an annual German festival. Makes nonsubstantive changes.

SECTION 2. Effective date: upon passage or September 1, 2025.