

## **BILL ANALYSIS**

C.S.H.B. 1964  
By: Clardy  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Fredonia Hotel in Nacogdoches has played an enormous part in the economic development of what certain parties allege is the oldest town in Texas. However, the hotel recently closed and the city has been searching for an interested investor to purchase and operate the Fredonia. An investor has expressed interest in purchasing and renovating the hotel but is seeking additional funds beyond the investment that the interested buyer is prepared to make before agreeing to undertake the project. To address the prospective investor's concerns and promote the project, the city has agreed to use the hotel occupancy taxes it would collect on the Fredonia to help renovate and operate the hotel. C.S.H.B. 1964 seeks to address this issue.

### **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. 1964 amends the Tax Code to designate a municipality with a population of less than 50,000 that contains a general academic teaching institution that is not a component institution of a university system as an eligible central municipality for purposes of the municipal hotel occupancy tax. The bill specifies that the terms "convention center facilities" or "convention center complex," for purposes of the municipal hotel occupancy tax, include a hotel that is owned in part by such a municipality and that is located within 1,000 feet of a convention center facility.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1964 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 351.001(7), Tax Code, is amended to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 351.001(2) and (7), Tax Code, are amended to read as follows:

(2) "Convention center facilities" or "convention center complex" means facilities that are primarily used to host conventions and meetings. The term means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in whole or part by the municipality. In a municipality with a population of 1.5 million or more, "convention center facilities" or "convention center complex" means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in part by the municipality, hotels owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within 1,000 feet of a convention center owned by the municipality, or a historic hotel owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within one mile of a convention center owned by the municipality. The term includes parking areas or facilities that are for the parking or storage of conveyances and that are located at or in the vicinity of other convention center facilities. The term also includes a hotel owned by or located on land that is owned by an eligible central municipality or by a nonprofit corporation acting on behalf of an eligible central municipality and that is located within 1,000 feet of a convention center facility owned by the municipality. The term also includes a hotel that is owned in part by an eligible central municipality described by Subdivision (7)(C) and that is located within 1,000 feet of a convention center facility. The term also includes a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that

(7) "Eligible central municipality" means:  
(A) a municipality with a population of more than 140,000 but less than 1.5 million that is located in a county with a population of one million or more and that has adopted a capital improvement plan for the expansion of an existing convention center facility; [ø] ~~or~~  
(B) a municipality with a population of 250,000 or more that:  
(i) is located wholly or partly on a barrier island that borders the Gulf of Mexico;  
(ii) is located in a county with a population of 300,000 or more; and  
(iii) has adopted a capital improvement plan to expand an existing convention center facility; or  
(C) a municipality with a population of less than 50,000 that contains a general academic teaching institution that is not a component institution of a university system, as those terms are defined by Section 61.003, Education Code.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

borders the United Mexican States.

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(B) a municipality with a population of 250,000 or more that:  
(i) is located wholly or partly on a barrier island that borders the Gulf of Mexico;  
(ii) is located in a county with a population of 300,000 or more; and  
(iii) has adopted a capital improvement plan to expand an existing convention center facility; or  
(C) a municipality with a population of less than 50,000 that contains a general academic teaching institution that is not a component institution of a university system, as those terms are defined by Section 61.003, Education Code.

SECTION 2. Same as introduced version.