

## BILL ANALYSIS

C.S.H.B. 4029  
By: Oliveira  
Ways & Means  
Committee Report (Substituted)

### BACKGROUND AND PURPOSE

Interested parties suggest that fishing tournaments have been reluctant to come to certain municipalities, such as South Padre Island, due to the lack of boat launching and parking facilities in the municipalities. C.S.H.B. 4029 seeks to address this issue by providing for the use of municipal hotel occupancy tax revenue in the municipalities on expenses directly related to the construction, improvement, equipping, repairing, operation, and maintenance of certain coastal sports facilities owned by the municipalities.

### 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. 4029 amends the Tax Code to authorize an eligible barrier island coastal municipality to use revenue from the municipal hotel occupancy tax for expenses directly related to the construction, improvement, equipping, repairing, operation, and maintenance of coastal sports facilities owned by the municipality, including boat docks, boat ramps, and fishing piers used by hotel guests, if the coastal sports facilities have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments or events.

### EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

### COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4029 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 351.101(a), Tax Code, as amended by Chapter 979 (H.B.

#### HOUSE COMMITTEE SUBSTITUTE

No equivalent provision. (*But see SECTION 2 below.*)

85R 25527

17.112.255

Substitute Document Number: 85R 18421

3615), Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;

(5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:

(A) at or in the immediate vicinity of convention center facilities or visitor information centers; or

(B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;

(6) for a municipality located in a county with a population of one million or less, expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity;

(7) subject to Section 351.1076, the promotion of tourism by the enhancement

and upgrading of existing sports facilities or fields, including facilities or fields for baseball, softball, soccer, flag football, and rodeos, if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

(i) has a population of 80,000 or more and is located in a county that has a population of 350,000 or less;

(ii) has a population of at least 75,000 but not more than 95,000 and is located in a county that has a population of less than 200,000 but more than 160,000;

(iii) has a population of at least 36,000 but not more than 39,000 and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million;

(iv) has a population of at least 13,000 but less than 39,000 and is located in a county that has a population of at least 200,000;

(v) has a population of at least 70,000 but less than 90,000 and no part of which is located in a county with a population greater than 150,000;

(vi) is located in a county that:

(a) is adjacent to the Texas-Mexico border;

(b) has a population of at least 500,000; and

(c) does not have a municipality with a population greater than 500,000;

(vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less;

(viii) has a population of at least 7,500 and is located in a county that borders the Pecos River and that has a population of not more than 15,000;

(ix) is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located;

[~~or~~]

(x) has a population of at least 40,000 and the San Marcos River flows through the municipality; or

(xi) is an eligible barrier island coastal municipality that imposes the tax at a rate equal to or greater than 7.5 percent of the price paid for a room; and

(C) the sports facilities and fields have been used, in the preceding calendar year,

a combined total of more than 10 times for district, state, regional, or national sports tournaments, except that for an eligible barrier island coastal municipality that imposes the tax at a rate equal to or greater than 7.5 percent of the price paid for a room, the involved sports facilities, fields, or fishing piers have been used, in the preceding calendar year, a combined total of more than 5 times for district, state, regional, or national sports tournaments;

(8) for a municipality with a population of at least 70,000 but less than 90,000, no part of which is located in a county with a population greater than 150,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility;

(9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality;

(10) the construction of a recreational venue in the immediate vicinity of area hotels, if:

(A) the municipality:

(i) is a general-law municipality;

(ii) has a population of not more than 900; and

(iii) does not impose an ad valorem tax;

(B) not more than \$100,000 of municipal hotel occupancy tax revenue is used for the construction of the recreational venue;

(C) a majority of the hotels in the municipality request the municipality to construct the recreational venue;

(D) the recreational venue will be used primarily by hotel guests; and

(E) the municipality will pay for maintenance of the recreational venue from the municipality's general fund;

(11) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility, if the municipality:

(A) has a population of at least 90,000 but less than 120,000; and

(B) is located in two counties, at least one of which contains the headwaters of the San Gabriel River; and

(12) for a municipality with a population of more than 175,000 but less than 225,000 that is located in two counties, each of which has a population of less than 200,000, the construction,

improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4), Local Government Code, that is related to the promotion of tourism.

SECTION 2. To the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

No equivalent provision.

No equivalent provision. (*But see SECTION 1 above.*)

No equivalent provision.

SECTION 1. The heading to Section 351.1054, Tax Code, is amended to read as follows:

Sec. 351.1054. ALLOCATION OF REVENUE: ELIGIBLE BARRIER ISLAND COASTAL MUNICIPALITY [~~FOR ECOLOGICAL TOURISM AND SPACECRAFT AND SPACEPORT ACTIVITIES BY CERTAIN MUNICIPALITIES~~].

SECTION 2. Section 351.1054(b), Tax Code, is amended to read as follows:

(b) Notwithstanding any other provision of this chapter, an eligible barrier island coastal municipality may use revenue from the municipal hotel occupancy tax for:

(1) promotional and event expenses for an ecological tourism event, including an event for which the primary attraction is traveling to an area of natural or ecological interest for the purpose of observing and learning about wildlife and the area's natural environment, if:

(A) a majority of the event's participants are tourists; and

(B) the event substantially increases economic activity at hotels and motels within or in the vicinity of the municipality; [~~and~~]

(2) expenses directly related to:

(A) the acquisition of sites to observe spacecraft and spaceport activities; and

(B) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of facilities utilized by hotel guests to observe and learn about spacecraft and spaceport operations; and

(3) expenses directly related to the construction, improvement, equipping, repairing, operation, and maintenance of coastal sports facilities owned by the municipality, including boat docks, boat

ramps, and fishing piers used by hotel guests, if the coastal sports facilities have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments or events.

SECTION 3. 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, 2017.

SECTION 3. Same as introduced version.