

## **BILL ANALYSIS**

S.B. 1136  
By: Hinojosa  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that certain municipalities, such as the City of Edinburg, are in need of additional sources of revenue to pay for certain sporting-related facilities. S.B. 1136 seeks to provide this additional revenue stream by authorizing certain municipalities to use municipal hotel occupancy tax revenue for such purposes.

### **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**

S.B. 1136 amends the Tax Code to authorize a municipality that is located on the Texas-Mexico border, has a population of 500,000 or more, and is adjacent to two or more counties each of which has a population of 50,000 or more to use revenue derived from the municipal hotel occupancy tax to construct, maintain, or expand a sporting-related facility or sporting-related field on property owned by the municipality provided the municipality's sports facilities and fields have been used a combined total of more than 10 times for district, state, regional, or national sports tournaments, games, or events in the preceding calendar year. The bill requires such a municipality that uses the hotel tax revenue for such a purpose to determine the amount of hotel tax revenue generated for the municipality by hotel activity attributable to the sports tournaments, games, and events held on the newly constructed, enhanced, or upgraded facilities or fields for 10 years after the date the construction, enhancements, or upgrades are completed, prohibits the municipality from spending the hotel tax revenue for the construction, enhancement, or upgrading of the facilities or fields in a total amount that exceeds the amount of area hotel revenue attributable to the construction, enhancements, or upgrades; and requires the municipality to reimburse from the municipality's general fund any expenditure in excess of the amount of area hotel revenue attributable to the construction, enhancements, or upgrades to the municipality's hotel occupancy tax revenue fund.

S.B. 1136 prohibits a municipality using hotel occupancy tax revenue for certain sporting-related facilities under the bill's provisions from reducing the percentage of revenue from that tax that is allocated for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity to a percentage that is less than the average percentage of revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue for such a purpose.

**EFFECTIVE DATE**

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