

BILL ANALYSIS

C.S.S.B. 1393
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There have been calls to provide some cities, such as the City of Odessa, with greater flexibility regarding the use and allocation of municipal hotel occupancy tax revenue. It has been suggested that this flexibility could increase economic development and tourism through the construction of necessary sports facilities and multipurpose convocation centers. C.S.S.B. 1393 seeks to address this issue by providing for the use of municipal hotel occupancy tax revenue to construct and maintain certain sports facilities and multipurpose convocation centers.

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.S.B. 1393 amends the Tax Code to authorize a municipality with a population of at least 95,000, in which the main campus of a component university of The University of Texas System is located, and that is located in a county with a population of not more than 140,000 to use revenue derived from the municipal hotel occupancy tax to construct and maintain a sports facility and multipurpose convocation center capable of hosting intercollegiate athletic events on land owned by a state university if the municipality leases the land on which the facility and center will be located from the university for a term of at least 25 years.

C.S.S.B. 1393 requires the municipality to do the following:

- determine the amount of area hotel revenue attributable to sports events and tournaments held at the sports facility and multipurpose convocation center for seven years after the date the municipality first uses hotel occupancy tax revenue to construct and maintain the facility and convocation center; and
- reimburse at the end of such a period from the municipality's general fund to the municipality's hotel occupancy tax revenue fund any hotel occupancy tax revenue expended on the facility and convocation center during that period in excess of the amount attributable to events held at the facility and convocation center.

C.S.S.B. 1393 prohibits the municipality during that period from reducing the percentage of revenue from the municipal hotel occupancy tax 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 that

revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality first uses hotel occupancy tax revenue to construct and maintain the sports facility and convocation center.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1393 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes a multipurpose convocation center capable of hosting intercollegiate athletic events among the authorized uses of the revenue derived from the municipal hotel occupancy tax for an applicable municipality.