

## **BILL ANALYSIS**

C.S.H.B. 2433  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

State law allows municipalities that meet certain geographic and population based requirements to use municipal hotel occupancy tax revenue for the promotion and preservation of dark skies. The City of Wimberley was intended to be included among the municipalities that qualify to use revenue for these purposes, but because of recent population growth the city no longer is able to do so. C.S.H.B. 2433 seeks to remedy this issue by expanding the municipalities eligible to use revenue from their municipal hotel occupancy tax for the promotion and preservation of dark skies.

### **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. 2433 amends the Tax Code to expand the municipalities that may use revenue from the municipal hotel occupancy tax for the promotion and preservation of dark skies to include any municipality that is located in a county that has a population of less than 300,000 and that is adjacent to the county in which the State Capitol is located. The bill changes the manner in which the cap on the amount of that revenue the municipality may use for those purposes is determined from a cap based on a determination of the amount of area hotel revenue attributable to dark skies-related events and activities for five years after the date the municipality first uses the revenue for the promotion and preservation of dark skies to a cap based on a good-faith estimate of the annual amount of area hotel revenue attributable to these events and activities, based on reasonable documentation.

C.S.H.B. 2433 prohibits a municipality that uses municipal hotel occupancy tax revenue to preserve and promote dark skies from reducing the percentage of revenue from that 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 allocated for those purposes during the 36-month period preceding the date the municipality begins using revenue for the preservation and promotion of dark skies.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2433 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute makes a technical correction to the revised population bracket.

The substitute includes the following provisions not in the original:

- provisions that change the manner in which the cap on the amount of the municipal hotel occupancy tax revenue a municipality may use for the promotion and preservation of dark skies is determined; and
- provisions prohibiting certain reductions in the percentage of municipal hotel occupancy tax revenue such a municipality uses for certain advertising and solicitation purposes related to increasing tourism.