

## **BILL ANALYSIS**

C.S.H.B. 4305  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

State law allows municipalities that meet certain geographic and population requirements to use revenue collected from the municipal hotel occupancy tax for the promotion and preservation of dark skies. There have been calls to extend this authority to additional municipalities and even certain border counties. Additionally, it has been suggested that the manner in which the cap on the amount of that revenue is calculated is too restrictive and should be revised. C.S.H.B. 4305 seeks to revise the manner in which that cap is calculated and to extend the authorization to use hotel occupancy tax revenue for the promotion and preservation of dark skies to additional municipalities and counties.

### **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. 4305 amends the Tax Code to include the following among the municipalities that may use revenue from the municipal hotel occupancy tax for the promotion and preservation of dark skies:

- a municipality located in a county with a total area of more than 6,000 square miles; and
- a municipality located in a county with a total area of more than 3,850 square miles but less than 4,000 square miles.

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. 4305 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.

C.S.H.B. 4305 authorizes the following counties to use revenue from the county hotel occupancy tax for the promotion and preservation of dark skies on the same basis and to the same extent as an applicable municipality:

- a county that borders the United Mexican States and in which there is located a national park of more than 400,000 acres; and
- a county with a population of less than 5,000 that borders the United Mexican States and in which there is located a major observatory.

C.S.H.B. 4305 repeals Section 351.1035, Tax Code, which restricts the allocation of the municipal hotel occupancy tax revenue collected by the largest municipality in a county that borders the United Mexican States and in which there is located a national park of more than 400,000 acres to certain purposes.

### **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. 4305 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 includes a provision not in the original prohibiting certain reductions in the percentage of municipal hotel occupancy tax revenue a municipality that uses that revenue to preserve and promote dark skies may make regarding advertising and solicitation related to increasing tourism.