

SUBJECT: Authorizing and financing certain sports and community venue projects

COMMITTEE: Urban Affairs — committee substitute recommended

VOTE: 4 ayes — Alvarado, Bernal, Elkins, J. Johnson

1 nay — Isaac

2 absent — Leach, Zedler

WITNESSES: For — Ramiro Gonzalez, City of Brownsville; (*Registered, but did not testify*: Robin Stallings, BikeTexas; Justin Bragiel, Texas Hotel Association)

Against — (*Registered, but did not testify*: Galt Graydon, Avis/Budget Group; Brian Yarbrough, EAN Holdings (Enterprise/Alamo/National Rental Car))

BACKGROUND: Local Government Code, ch. 334 governs the planning, construction, and financing by local governments of certain venue projects, including convention centers, arenas, coliseums, stadiums, municipal parks and recreation systems, and certain tourist development areas.

Subchapter E allows a municipality or county to impose a tax, if approved at an election, on motor vehicle rentals to finance certain venue projects, including an arena, coliseum, or stadium. The tax may not be used to finance an area or facility that is part of a municipal parks and recreation system.

Sec. 334.2515, under subchapter H, allows municipalities to impose hotel occupancy taxes, if approved at an election, to finance certain venue projects, including an arena, coliseum, or stadium. The tax may not be used to finance an area or facility that is part of a municipal parks and recreation system or certain other projects.

DIGEST: CSHB 3010 would allow a municipality on the international border to

finance a municipal parks and recreation system under Local Government Code, ch. 334 with revenue from short-term motor vehicle rental taxes. Eligible municipal parks and recreation system projects would be expanded to include an area or facility for "active transportation," including walking, running, and biking.

The bill would specify that hotel occupancy taxes could not be used to finance an airport facility located in a municipality on the international border or a tourist development area.

The definition of "venue" under ch. 334 would be expanded to include:

- an airport facility located in a municipality on the international border; and
- an area or facility for active transportation use as part of a municipal parks and recreation system.

A venue that was a tourist development area no longer would have to be along an inland waterway.

The bill would take effect September 1, 2017.

**SUPPORTERS
SAY:**

CSHB 3010 would allow border cities such as Brownsville to have additional funding sources for recreational facilities, including parks and trails, which can significantly benefit a local community. Using rental car taxes to finance recreational venues, such as hiking and biking trails, can be a part of a city's tourism efforts and would be consistent with the types of venues allowed to be financed by rental car taxes.

**OPPONENTS
SAY:**

Rental car taxes initially were designed to finance sports arenas and other similar venues, not hiking and biking trails and recreational parks. While sports and entertainment venues can become self-sustaining to the point that car rental taxes no longer are needed, parks and recreation projects are an ongoing expense that always will need to be subsidized.