

- SUBJECT:** Allocating hotel, sales taxes to Port Aransas for convention hotel project
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 9 ayes — D. Bonnen, Bohac, Darby, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- 2 absent — Y. Davis, E. Johnson
- WITNESSES:** For — Charles Bujan, City of Port Aransas; (*Registered, but did not testify*: David Parsons, City of Port Aransas; Justin Bragiel, Texas Hotel and Lodging Association)
- Against — (*Registered, but did not testify*: Adam Cahn, Cahnman's Musings)
- BACKGROUND:** Tax Code, sec. 351.102(b) allows certain eligible central municipalities to allocate municipal hotel occupancy tax revenue collected from hotels located on property owned by the municipality and located within 1,000 feet of a city-owned convention center to certain debt. The revenue can be used to pay bonds or obligations for costs related to the hotel and ancillary facilities, including convention center entertainment-related facilities, restaurants, shops, parking facilities, and other infrastructure within 1,000 feet of the hotel or convention center.
- Under sec. 351.102(c) and Tax Code, sec. 151.429(h), eligible central municipalities are entitled to a rebate of state sales and state hotel occupancy tax revenue from qualified hotel projects. Tax Code, sec. 351.001(7) defines eligible central municipalities.
- DIGEST:** HB 3626 would allow a municipality that met the description in the bill (Port Aransas) to qualify as an eligible central municipality that could use rebates of state sales and use and state hotel occupancy taxes related to qualified hotel projects in accordance with the guidelines in Tax Code

351.102

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

NOTES: According to the Legislative Budget Board, the bill would have no fiscal impact to the state from 2018 to 2022.