SUBJECT: Allowing Marfa to use hotel occupancy tax revenue to improve an airport

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — D. Bonnen, Y. Davis, Bohac, Darby, E. Johnson, Murphy, Murr, Raymond, Shine, Springer, Stephenson

0 nays

SENATE VOTE: On final passage, April 4 — 29-2 (Burton, V. Taylor)

WITNESSES: *On House companion bill, HB 902:*
For — Justin Bragiel, Texas Hotel and Lodging Association; Chase Snodgrass, Presidio County

Against — (*Registered, but did not testify*: Adam Cahn, Cahnman's Musings)

BACKGROUND: Tax Code, ch. 351 allows certain municipalities to impose a hotel occupancy tax of 7 percent on the price paid for a hotel room.

Some observers note that the Marfa Municipal Airport is key to tourism in the area but does not have sufficient capacity and is need of repairs.

DIGEST: SB 440 would allow the municipality described by the bill (Marfa) to use up to 15 percent of its municipal hotel occupancy tax revenue to expand or improve an airport that met the bill's specifications, provided the cumulative amount spent was less than hotel revenue reasonably attributable to guests traveling through the airport over the course of 15 years from the date the city first uses revenue to improve the airport.

This authority would expire either on December 31, 2032, or 10 years after the date the city first uses the revenue to improve the airport.

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.