

SUBJECT: Allowing Lubbock to receive certain sales, mixed beverage tax revenue

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Thierry, Button, Cole, Guerra, Martinez Fischer,
Murphy, Noble, Rodriguez, Sanford, Shine

0 nays

WITNESSES: For — Justin Bragiel, Texas Hotel and Lodging Association; (*Registered, but did not testify*: Austin Holder, City of Lubbock; Ron Hinkle, Texas Travel Alliance)

Against — None

On — (*Registered, but did not testify*: Lara Abi Habib, Comptroller of Public Accounts)

BACKGROUND: Under Tax Code sec. 351.157, a municipality is entitled to receive the sales and use tax and mixed beverage tax revenue from a qualified establishment located in the municipality. The section applies only to specific municipalities and qualified establishments and does not apply unless the municipality commences a qualified project before September 1, 2023.

DIGEST: HB 4103 would allow a municipality with a population between 200,000 and 300,000 that contained a component institution of the Texas Tech System (Lubbock) to receive sales and use tax and mixed beverage tax revenue from restaurants, bars, retail establishments, and swimming pools and facilities owned or operated by a hotel.

The bill would expand the applicability of Tax Code sec. 351.157 to include qualified projects commenced by a municipality before September 1, 2027.

The 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, 2021.

NOTES:

According to the fiscal note, the bill would have no impact in fiscal 2022-23 but would cost \$2.3 million in general revenue beginning in fiscal 2026.