

## **BILL ANALYSIS**

Senate Research Center  
76R10185 DAK-D

C.S.S.B. 790  
By: Moncrief  
Intergovernmental Relations  
3/25/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, Texas law allows cities with a population of 1,500,000 or more to pledge certain hotel tax revenues for the acquisition and construction of a convention center hotel. Cities in the five counties accounting for most of the travel expenditures in the state have or are currently updating their convention center facilities, due to a lack of up-to-date convention center infrastructure. C.S.S.B. 790 would authorize each eligible municipality to use hotel occupancy taxes collected at a hotel project that is owned by or located on land owned by a municipality or by a nonprofit corporation acting on behalf of a municipality, and which is located within 1,000 feet of a city- or county-owned convention center, to pay the bonds to construct the hotel.

### **PURPOSE**

As proposed, C.S.S.B. 790 sets forth provisions regarding certain hotel facilities.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 151.429, Tax Code, by amending Subsection (h) and adding Subsection (i), to establish that the rebate, refund, or payment of sales and use taxes does not apply to a qualified hotel project. Authorizes a qualified hotel project to be constructed in each eligible central municipality, as defined by Section 351.001, after January 1, 1999. Provides that this subsection does not apply to a municipality with a population of 1,500,000 or more. Makes conforming changes.

SECTION 2. Amends Section 351.001(2), Tax Code, to redefine "convention center facilities" or "convention center complex."

SECTION 3. Amends Section 351.102, Tax Code, by adding Subsection (c), to authorize an eligible central municipality to pledge the revenue derived from the imposed tax from a qualified hotel project that is owned by or located on land owned by the municipality or by certain nonprofit corporations and is located within 1,000 feet of a convention center facility owned by the municipality for the payment of bonds or other obligations issued or incurred for acquiring, leasing, constructing, or equipping the hotel. Authorizes an eligible central municipality to only pledge revenue or other assets of the qualified hotel project benefiting from those bonds or other obligations.

SECTION 4. Amends Section 2303.003(8), Government Code, to redefine "qualified hotel project."

SECTION 5. Amends Chapter 63(2), Article 1269j-4.1, V.T.C.S., by adding Subsection (c), to authorize an eligible central municipality to establish, acquire, purchase, or maintain a hotel that is owned by or located on land owned by the municipality or certain nonprofit corporations and is located within 1,000 feet of a convention center facility owned by the municipality. Authorizes the eligible central municipality to issue bonds or incur other obligations to acquire, lease, construct, or equip a hotel that is located on that land.

SECTION 6. Effective date: September 1, 1999.

SECTION 7. Emergency clause.

## **SUMMARY OF COMMITTEE CHANGES**

### **SECTION 3.**

Amends Section 351.102, Tax Code, to authorize an eligible central municipality to establish, acquire, purchase, or maintain a hotel that is owned by or located on land owned by the municipality or certain nonprofit corporations and is located within 1,000 feet of a convention center facility owned by the municipality. Authorizes an eligible central municipality to only pledge revenue or other assets of the qualified hotel project benefiting from those bonds or other obligations.