

BILL ANALYSIS

Senate Research Center
81R17360 BEF-F

H.B. 3098
By: Bolton (Wentworth)
Economic Development
5/15/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Revenue from the hotel occupancy tax may only be used to promote tourism and the convention and hotel industry. Hotels in some general law cities would like to become destinations for family tourism.

This bill allows general law municipalities with of populations not more than 900 to construct recreational venues in the immediate area of local hotels using revenue from the municipal hotel occupancy tax.

Not more than \$100,000 of the hotel occupancy tax revenue may be used on the venue, a majority of the area hotels must request the construction of the venue, the venue will be used primarily by hotel guests, and the municipality will maintain the venue.

Three general law cities with populations of not more than 900 would be affected.

H.B. 3098 amends current law relating to the use by certain municipalities of hotel occupancy tax revenues for the construction of a recreational venue near hotels.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 351.101(a), Tax Code, as follows:

- (a) Authorizes revenue from the municipal hotel occupancy tax to be used only to promote tourism and the convention and hotel industry, and provides that use is limited to certain purposes, including the construction of a recreational venue in the immediate vicinity of area hotels, if the municipality is a general-law municipality, has a population of not more than 900 and does not impose an ad valorem tax; not more than \$100,000 of municipal hotel occupancy tax revenue is used for the construction of the recreational venue; a majority of the hotels in the municipality request the municipality to construct the recreational venue; the recreational venue will be used primarily by hotel guests; and the municipality will pay for maintenance of the recreational venue from the municipality's general fund.

SECTION 2. Effective date: upon passage or September 1, 2009.