

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1040
By: Gallego (Uresti)
Economic Development
5/13/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Several years ago, Reeves County held a venue district election in which voters approved a two percent hotel occupancy tax. However, the election was held within the Pecos city limits, rather than countywide as required by law. A sports and community venue district subsequently was created by concurrent order of the mayor of the town of Pecos and the county judge of Reeves County. More recently, Reeves County officials held another countywide initiative that was passed.

C.S.H.B. 1040 amends current law relating to the validation of the creation of, and certain acts related to, a venue project, and the dissolution of certain venue districts.

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. (a) Provides that the legislature validates and confirms:

(1) the creation of, and election on, a venue project to finance the restoration and renovation of a venue as of the date of an election held before the effective date of this Act at which the voters of a municipality approved the creation of the venue project and the levy of a two percent increase in the local hotel occupancy tax; and

(2) the levy and collection of a two percent increase in the local hotel occupancy tax for a venue project that occurred before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

(c) Provides that this Act does not validate any governmental act or proceeding that, under the law in effect at the time the act or proceeding occurred, would constitute a criminal offense punishable as a misdemeanor or felony.

SECTION 2. Amends Chapter 335, Local Government Code, by adding Subchapter G, as follows:

SUBCHAPTER G. DISSOLUTION OF DISTRICTS IN LESS POPULOUS COUNTIES

Sec. 335.151. **APPLICABILITY.** Provides that this subchapter applies only to a district wholly located in a county with a population of less than 15,000.

Sec. 335.152. DISSOLUTION. Authorizes the governing body of each political subdivision that created a district to dissolve the district by adopting a concurrent order.

Sec. 335.153. ASSETS AND LIABILITIES. Requires the assets and liabilities of a district dissolved under this subchapter to be transferred to the county in which the district is located.

(b) Requires the county, after payment of district liabilities, to use the district assets that remain for an approved venue project of the county.

SECTION 3. Effective date: upon passage or September 1, 2011.