

BILL ANALYSIS

Senate Research Center
84R14732 ADM-F

H.B. 1964
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Fredonia Hotel in Nacogdoches has played an enormous part in the economic development of what certain parties assert is the oldest town in Texas. However, the hotel recently closed and the city has been searching for an interested investor to purchase and operate the Fredonia. An investor has expressed interest in purchasing and renovating the hotel but is seeking additional funds beyond the investment that the interested buyer is prepared to make before agreeing to undertake the project. To address the prospective investor's concerns and promote the project, the city has agreed to use the hotel occupancy taxes it would collect on the Fredonia to help renovate and operate the hotel. H.B. 1964 seeks to address this issue.

H.B. 1964 amends current law relating to the definitions of "convention center facilities" and "eligible central municipality" for purposes of the municipal hotel occupancy tax.

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 Sections 351.001(2) and (7), Tax Code, as follows:

(2) Redefines "convention center facilities" or "convention center complex" to include in the meaning a hotel that is owned in part by an eligible central municipality described by Subdivision (7)(C) and that is located within 1,000 feet of a convention center facility.

(7) Redefines "eligible central municipality" to include in the meaning a municipality with a population of less than 50,000 that contains a general academic teaching institution that is not a component institution of a university system, as those terms are defined by Section 61.003 (Definitions), Education Code.

SECTION 2. Effective date: upon passage or September 1, 2015.