

BILL ANALYSIS

Senate Research Center

S.B. 1545
By: Kolkhorst
Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill adds several cities to an existing authority held by other communities that allows certain hotel occupancy tax revenues to be retained locally and reinvested in important economic development projects.

Under current law, certain eligible central municipalities are authorized, upon request, to receive a rebate of hotel occupancy tax proceeds that are paid or collected by a qualified hotel project and its ancillary businesses. Additionally, those cities are entitled to receive a rebate of state hotel occupancy taxes, state sales taxes, and state alcoholic beverage taxes from the eligible project for the first 10 years after the project opens for occupancy.

The extension of this benefit to the Cities of Katy, Sugarland, and Port Aransas will play a significant role in bolstering revitalization efforts and growing the local economy.

S.B. 1545 amends current law relating to the authority of certain municipalities to pledge certain tax revenue for the payment of obligations related to hotel projects.

As proposed, S.B. 1545 amends current law relating to the definition of 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 Section 351.001(7), Tax Code, to redefine "eligible central municipality."

SECTION 2. Effective date: upon passage or September 1, 2017.