

## **BILL ANALYSIS**

Senate Research Center

S.B. 1804  
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Natural Resources & Economic Development  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The City of South Padre Island (city) seeks to increase sport fishing tourism; however, lack of adequate facilities limits consideration of the city for major events. S.B. 1804 provides eligibility to the city to use a portion of its local hotel occupancy tax (HOT) for sporting infrastructure.

Specifically, the bill authorizes the city to construct facilities for the promotion and sponsorship of major fishing tournaments. Statute is amended to include fishing piers for district, state, regional, or national sport fishing tournaments. S.B. 1804 requires no less than five tournaments per year to qualify for use of HOT revenue. As a benefit, the local HOT may be leveraged to provide matching funds needed for the construction of additional boat ramps at locations acquired for this purpose.

Fishing tournaments have been reluctant to select South Padre Island because of the lack of boat launching and parking facilities in the city. The city is optimistic that, provided this authorization, new and adequate facilities will attract new major sport fishing tournaments.

As proposed, S.B. 1804 amends current law relating to the use of municipal hotel occupancy tax revenue to construct, enhance, upgrade, and maintain coastal sports facilities in certain municipalities.

### **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 amended by Chapter 979 (H.B. 3615), Acts of the 84th Legislature, Regular Session, 2015, 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 limits that use to, subject to Section 351.1076 (Allocation of Revenue: Certain Municipalities), the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields, including facilities or fields for certain sports if the municipality is an eligible barrier island coastal municipality that imposes the tax at a rate equal to or greater than 7.5 percent of the price paid for a room, and the sports facilities and fields have been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments, except that for an eligible barrier island coastal municipality that imposes the tax at a rate equal to or greater than 7.5 percent of the price paid for a room, the involved sports facilities, fields, or fishing piers have been used, in the preceding calendar year, a combined total of more than 5 times for district, state, regional, or national sports tournaments.

SECTION 2. Provides that to the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3. Effective date: upon passage or September 1, 2017.