

## **BILL ANALYSIS**

Senate Research Center  
85R6564 ADM-F

S.B. 797  
By: Perry  
Natural Resources & Economic Development  
3/17/2017  
As Filed

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

The City of Lubbock seeks to be included in Section 351.102, Tax Code, which allows municipalities to pay for bonds with pledged hotel and sales tax revenue.

The City of Lubbock is looking to sell bonds in order to pay for the construction of a 24,000-square foot meeting facility connected to a privately built hotel, adjacent civic center improvements, and a possible parking garage. Although the hotel will be privately owned and run, the city will maintain full ownership of the land. Additionally, no public funds will be used to subsidize the hotel.

As proposed, S.B. 797 amends current law relating to the authority of certain municipalities to pledge certain tax revenue for the payment of obligations related to hotel projects.

### **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 351.102, Tax Code, by amending Subsections (b), (c), and (d), and adding Subsection (e), as follows:

- (b) Authorizes an eligible central municipality or a municipality described by this subsection or Subsection (e), rather than described by this subsection, to only pledge revenue or other assets of the hotel project benefiting from certain bonds or other obligations.
- (c) Provides that a municipality to which Subsection (b) or (e) applies is entitled to receive all funds from a certain project.
- (d) Makes a conforming change.
- (e) Provides that, in addition to the municipalities described by Subsection (b), that subsection also applies to a municipality with a population of at least 200,000 but not more than 300,000 that contains a component institution of the Texas Tech University System.

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