

BILL ANALYSIS

Senate Research Center
86R14284 GRM-F

S.B. 2194
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Capital improvement plans for construction or expansion of city infrastructure greatly benefit economic development of municipalities in the state of Texas. Development and improvement projects increase municipality cash flow through job creation, increased tourism, among other benefits.

Sections 351.001 and 351.101, Tax Code, delineate what requisites qualify an eligible central municipality to allow use of the municipal hotel occupancy tax for certain construction or expansion development projects.

The city of San Benito would greatly benefit economically from public-private development projects but currently doesn't fulfill eligibility central municipality requirements. This bill amends Tax Code to include the City of San Benito as an eligible central municipality, providing the municipality hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility of field. S.B. 2194 will provide San Benito with a great opportunity for economic development, including the opportunity of hundreds of new jobs to be created, without increasing taxes.

As proposed, S.B. 2194 amends current law relating to 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 include a municipality that has a population of not more than 25,000, that contains a cultural heritage museum, and that is located in a county that borders the United Mexican States and the Gulf of Mexico in the definition of "eligible central municipality."

SECTION 2. Amends Section 351.101, Tax Code, by adding Subsection (p), as follows:

(p) Authorizes a municipality that has a population of not more than 25,000, that contains a cultural heritage museum, and that is located in a county that borders the United Mexican States and the Gulf of Mexico, in addition to other authorized uses, to use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7) (relating to authorizing a municipality to use hotel occupancy tax revenue to upgrade sports facilities under certain conditions), provided that the requirements of Subsections (a)(7)(A) (relating to requiring the facilities to be owned by the municipality) and (C) (relating to requiring the facilities to have been used for certain tournaments) are met.

SECTION 3. Effective date: upon passage or September 1, 2019.