

BILL ANALYSIS

Senate Research Center
86R6134 SRA-D

S.B. 320
By: Flores
Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 320 amends Section 351.1066(a), Tax Code, by changing the threshold population of Frio County cities allowed to use hotel occupancy tax (HOT) funds from 5,000 to 15,000. This allows the City of Pearsall to obtain the same goals as its sister city of Dilley in the county to use a portion of their HOT funds to build, improve, and maintain sports field facilities for the purpose of attracting additional tourism to the area. Many other cities can currently use their hotel occupancy tax funds for this purpose.

The City of Pearsall's greatest tourist attraction is the Sports Complex, utilized for sports tournaments. The City has successfully sponsored softball and baseball events and tournaments bringing tourists and communities together. Interested parties have indicated that the sports complex has major untapped potential for expansion on existing city property to accommodate a competitive sporting events that are attractive to tourism and competitive in both the community and surrounding areas. Interested parties have indicated that potential expanded facilities could include a skeet shooting complex, rodeo arena, ATV park, biking trails, and green spaces for outdoor functions. Events are often held at privately owned ranches due to lack of comparable city facilities, indicating a demand for a facility to support such activities.

Expanded use of HOT funds will allow the City of Pearsall to invest in a multi-functional expanded sports complex facility to highlight the diversity of competitive tournaments through district, state, or national levels. Building new facilities and improving existing structures will attract tourists to the community. The current lack of sufficient facilities to accommodate a more versatile multi-use function has limited the City of Pearsall from achieving its full potential of targeting expanded categories of tourism, and continuing to invest in the city.

As proposed, S.B. 320 amends current law relating to the use of municipal hotel occupancy tax revenue 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 351.1066(a), Tax Code, to provide that this section applies only to:

(1)-(3) makes no changes to these subdivisions;

(4) a municipality with a population of not more than 15,000, rather than not more than 5,000, that is located in a county through which the Frio River flows and an interstate highway crosses, and that has a population of at least 15,000; and

(5) makes no change to this subdivision.

SECTION 2. Effective date: upon passage or September 1, 2019.