

BILL ANALYSIS

Senate Research Center
87R26812 RDS-D

C.S.H.B. 3097
By: Stephenson et al. (Huffman)
Natural Resources & Economic Development
5/21/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2019, the Texas Legislature adopted H.B. 4347, authorizing certain cities in Texas to implement a hotel occupancy tax (HOT tax). However, due to the COVID-19 pandemic and the disruption to the hospitality industry in Texas, many cities were left with concerns regarding their eligible projects due to specific deadlines and the definition of "commence." C.S.H.B. 3097 seeks to clarify this ambiguity, as well as extend the deadline from the original legislation.

C.S.H.B. 3097 amends current law relating to entitlement of certain municipalities to receive tax revenue from certain establishments located near a hotel and convention center project.

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 351.157, Tax Code, by amending Subsection (e) and adding Subsection (f), as follows:

(e) Provides that a municipality to which Section 351.157 (Additional Entitlement for Certain Municipalities) applies is not entitled to receive revenue under Subsection (d) (relating to entitling a municipality to revenue derived from certain taxes) unless the municipality commences a qualified project under Subchapter C (Municipal Hotel and Convention Center Projects) before September 1, 2027, rather than before September 1, 2023.

(f) Provides that for purposes of Subsection (e), a municipality commences a qualified project on the date the municipality, by ordinance or resolution:

(1) authorizes the issuance of bonds or other obligations related to the qualified project; or

(2) executes a contract authorized by Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code, related to the qualified project or an interlocal agreement related to the qualified project.

SECTION 2. Effective date: upon passage or September 1, 2021.