

BILL ANALYSIS

Senate Research Center
87R27567 CJC-F

C.S.H.B. 4103
By: Burrows (Birdwell)
Natural Resources & Economic Development
5/21/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 4103 allows certain municipalities to receive sales tax revenue from certain hotel and convention center projects and to pledge tax revenue for the payment of obligations related to those projects.

C.S.H.B. 4103 amends current law relating to the use of certain tax revenue by certain municipalities and to the entitlement of certain municipalities to certain tax revenue related to 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 351.101(n), Tax Code, as follows:

(n) Authorizes a municipality that has a population of not more than 1,500 and is located in a county that borders Arkansas and Louisiana, 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 revenue from the municipal hotel occupancy tax to be used for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if certain criteria are met), provided that the requirements of Subsection (a)(7)(A) (relating to authorizing revenue from the municipal hotel occupancy tax to be used for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields) and Section 351.1076 (Allocation of Revenue: Certain Municipalities), rather than the requirements of Subsections (a)(7)(A) and (C) (relating to authorizing revenue from the municipal hotel occupancy tax to be used for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the facilities and fields have been used a combined total of more than 10 times for district, state, regional, or national sports tournaments) and Section 351.1076, are met.

SECTION 2. Amends Section 351.10712(a), Tax Code, as follows:

(a) Provides that Section 351.10712 (Allocation of Revenue for Construction and Maintenance of Sports-Related Facilities by Certain Municipalities) applies only to certain municipalities, including a municipality located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located. Makes nonsubstantive changes.

SECTION 3. Amends Section 351.152, Tax Code, as follows:

Sec. 351.152. APPLICABILITY. Provides that Subchapter C (Municipal Hotel and Convention Center Projects) applies only to:

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

(41) and (42) makes nonsubstantive changes to these subdivisions;

(43) a municipality located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located;

(44) a municipality with a population of less than 500,000 that is located in two counties and is adjacent to a municipality described by Subdivision (31) (relating to providing that Subchapter C applies to a municipality with a certain population that is located in two counties, one of which has a population of 900,000 or more but less than 1.7 million); and

(45) a municipality that has a population of more than 67,000, and that is located in two counties with 90 percent of the municipality's territory located in a county with a population of at least 580,000, and the remaining territory located in a county with a population of at least four million.

SECTION 4. Amends Sections 351.157(a), (b), (c), and (e), Tax Code, as follows:

(a) Redefines "qualified establishment" for Section 351.157 (Additional Entitlement for Certain Municipalities).

(b) Provides that this section applies only to:

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

(4-a) a municipality described by Section 351.152(14) (relating to providing that Subchapter C applies only to a municipality with a certain population that contains a component institution of the Texas Tech University System);

(5)-(9) makes no changes to these subdivisions;

(10) and (11) makes nonsubstantive changes to these subdivisions; and

(12) a municipality described by Section 351.152(43).

(c) Provides that a municipality is entitled to receive revenue under Subsection (d) (relating to entitling a municipality to which this section applies to receive the revenue derived from certain taxes generated, paid, and collected from a qualified establishment located in the municipality) derived from the following types of establishments that meet the requirements of certain subsections:

(1) makes no changes to this subdivision;

(2) for a municipality described by Subsection (b)(2) (relating to providing that this section applies to a municipality with a population of 150,000 or more but less than 200,000 that is partially located in at least one county with a population of 125,000 or more), swimming pools and swimming facilities, restaurants, bars, and retail establishments;

(3) and (4) makes no changes to these subdivisions;

(4-a) for a municipality described by Subsection (b)(4-a), restaurants, bars, and retail establishments, and swimming pools and swimming facilities owned or operated by the related qualified hotel;

(5)-(9) makes no changes to these subdivisions;

(10) and (11) makes nonsubstantive changes to these subdivisions; and

(12) for a municipality described by Subsection (b)(12), restaurants, bars, and retail establishments, and swimming pools and swimming facilities owned or operated by the related qualified hotel.

(e) Provides that a municipality to which this section applies is not entitled to receive revenue under Subsection (d) unless the municipality commences a qualified project under this subchapter before September 1, 2027, rather than September 1, 2023.

SECTION 5. Effective date: upon passage or September 1, 2021.