

BILL ANALYSIS

H.B. 3595
By: Morrison
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that certain municipalities, such as the City of Victoria, are not permitted to use hotel occupancy tax funds to construct sports facilities. Interested parties note that in the last few years, construction has been completed on a significant number of new hotel rooms in such municipalities in response to the state's recent economic growth. The parties contend that municipalities such as the City of Victoria want to have sports facilities and events in place to continue to attract overnight visitors to local hotels. H.B. 3595 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3595 amends the Tax Code to authorize a municipality that is 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 to use revenue derived from the municipal hotel occupancy tax to promote tourism and the convention and hotel industry by constructing, maintaining, or expanding a sporting-related facility owned by the municipality if the majority of the events at the facility involve participants staying at hotels in the municipality and if, for a fiscal year, the municipality does not reduce the amount of that revenue that it uses for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity to an amount that is less than the lesser of the amount of that revenue used by the municipality for that purpose during the municipality's 2015 fiscal year or the total amount of that revenue received in the fiscal year.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.