

## **BILL ANALYSIS**

Senate Research Center  
83R18140 ADM-F

H.B. 3296  
By: Raney (Schwertner)  
Economic Development  
5/13/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Concerned parties maintain that the Texas A&M University football stadium is in need of renovation and that certain entities do not have the necessary flexibility to provide substantial support. In addition, these parties assert that there are statutory provisions relating to tourism in need of revision.

H.B. 3296 amends current law relating to the rates of municipal and county hotel occupancy taxes in certain municipalities and counties and the use of certain revenue from those taxes; and changes the rates of taxes.

### **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 352.003, Tax Code, by adding Subsections (i-1) and (i-2), as follows:

(i-1) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(g) (relating to authorizing the commissioners court of a county that has a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers to impose a tax), notwithstanding Subsection (i) (relating to prohibiting the tax rate in a county authorized to impose the tax from exceeding two percent of the price paid for a room in a hotel), from exceeding 2.75 percent of the price paid for a room in a hotel if:

(1) the convention and visitors bureau within the county executes a preferred access facilities contract with a major state university based in the county for the purpose of promoting tourism in the county;

(2) the county allocates, for payments to the university under the contract described by Subdivision (1) to be used for the renovation of a stadium located in the county and owned by the university, the portion of the revenue received by the county that is derived from the application of the tax at a rate of more than two percent of the price paid for a room in a hotel; and

(3) not more than 30 years have passed from the date bonds were originally issued by the university to finance a stadium renovation project for the stadium described by Subdivision (2).

(i-2) Provides that Subsection (i-1) and this subsection expire on the date the county commissioners court certifies that all debt issued or incurred by the university to finance or refinance the stadium renovation project described by Subsection (i-1), including interest and any costs relating to the debt, has been paid in full.

SECTION 2. Amends Section 352.1034(b), Tax Code, to require a county to spend at least 20 percent, rather than at least 45 percent, of the revenue from the tax on marketing projects that directly promote tourism, hotel, and convention activity.

SECTION 3. Repealer: Section 351.0035 (Tax Rate and Use in Certain Municipalities), Tax Code.

SECTION 4. Effective date: upon passage or September 1, 2013.