

BILL ANALYSIS

C.S.H.B. 2690
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that Texas law does not provide a dedicated mechanism to assure continued funding of certain measures to combat coastal erosion. C.S.H.B. 2690 seeks to address this issue by providing for the dedication of two percent of the revenue derived from the hotel occupancy tax levied in certain coastal counties to the coastal erosion response account to benefit those coastal counties.

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

C.S.H.B. 2690 amends the Tax Code to require the comptroller of public accounts, not later than September 30 of each state fiscal year beginning with 2020 state fiscal year, to compute the amount of revenue derived from the collection of hotel occupancy taxes at a rate of two percent and received from hotels located in counties adjacent to the Gulf of Mexico or the Corpus Christi Bay during the preceding state fiscal year and to transfer that amount to the coastal erosion response account in the general revenue fund. The bill excludes revenue derived from the collection of hotel occupancy taxes that is placed in a suspense account created for certain qualified hotel projects from that computation and restricts the appropriation of those transferred funds to the General Land Office for a purpose consistent with provisions of the Coastal Public Lands Management Act of 1973 relating to coastal erosion that benefits a coastal county.

C.S.H.B. 2690 amends the Natural Resources Code to make conforming changes.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2690 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 33.604(b), Natural Resources Code, is amended.

SECTION 2. Subchapter F, Chapter 156, Tax Code, is amended by adding Section 156.252 to read as follows:

Sec. 156.252. ALLOCATION OF CERTAIN REVENUE TO BENEFIT COASTAL COUNTIES. (a) In this section, "coastal county" means any county adjacent to:
(1) the Gulf of Mexico; or
(2) Corpus Christi Bay.
(b) Beginning in 2020,

the comptroller shall, not later than September 30 of each year:

- (1) compute the amount of revenue derived from the collection of taxes imposed under this chapter at a rate of two percent and received from hotels located in coastal counties during the preceding state fiscal year; and
- (2) transfer that amount to the coastal erosion response account created under Section 33.604, Natural Resources Code.
- (c) Revenue transferred under this section may be appropriated only to the General Land Office for a purpose consistent with Subchapter F, Chapter 33, Natural Resources Code, that benefits a coastal county.

SECTION 3. This Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Subchapter F, Chapter 156, Tax Code, is amended by adding Section 156.252 to read as follows:

Sec. 156.252. ALLOCATION OF CERTAIN REVENUE TO BENEFIT COASTAL COUNTIES. (a) In this section, "coastal county" means any county adjacent to:
(1) the Gulf of Mexico; or
(2) Corpus Christi Bay.
(b) Beginning with the state fiscal year beginning September 1, 2019, and except as provided by Subsection (d),

the comptroller shall, not later than September 30 of each state fiscal year:

- (1) compute the amount of revenue derived from the collection of taxes imposed under this chapter at a rate of two percent and received from hotels located in coastal counties during the preceding state fiscal year; and
- (2) transfer that amount to the coastal erosion response account created under Section 33.604, Natural Resources Code.
- (c) Revenue transferred under this section may be appropriated only to the General Land Office for a purpose consistent with Subchapter H, Chapter 33, Natural Resources Code, that benefits a coastal county.
- (d) Revenue derived from the collection of taxes under this chapter that is placed in a suspense account under Section 151.429(h) or under Section 2303.5055(f), Government Code, is excluded from the computation required by Subsection (b)(1).

SECTION 3. Same as introduced version.