

BILL ANALYSIS

Senate Research Center
81R2510 SJM-F

S.B. 1638
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Intergovernmental Relations
3/31/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In a county that has river frontage on both the Guadalupe and Comal rivers, a district may be created for all or part of the unincorporated area in the county to operate and maintain public parks, conserve natural resources, and improve the public welfare in the district. Such a district is a water-oriented recreation district (WORD). The district may impose taxes to facilitate its functions.

As proposed, S.B. 1638 exempts entities that are generally exempt from property taxes from WORD taxes. These entities include nonprofit corporations and military recreational installations within the district. A WORD is authorized to exempt certain businesses from taxation during times when the governor has waived the hotel occupancy tax, for example during periods of natural disasters.

S.B. 1638 also requires timeshare companies to pay WORD taxes on behalf of the individual property owner. Finally, S.B. 1638 clarifies that the incorporation or annexation of any area in a park district after initial creation does not affect the WORD's boundaries.

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 324.099, Local Government Code, by adding Subsection (l), to require the managing entity, as defined by Section 221.002 (Definitions), Property Code, of a timeshare property as defined by Section 221.002, Property Code, to collect and remit to a district, on a property owner's behalf, all district taxes imposed under Subsection (b)(2) (providing that the taxes that a district is authorized to levy apply only within the district and are a tax imposed by resolution of the board at a rate not greater than four percent on the cost of occupancy of a hotel) if the managing entity facilitates the rental of the property by advertising rental availability, collecting rents or fees, providing to a renter a key to or access to the property, or providing access to a service of the property being rented.

SECTION 2. Amends Subchapter E, Chapter 324, Local Government Code, by adding Section 324.0995, as follows:

Sec. 324.0995. TAX EXEMPTIONS. (a) Provides that Section 324.099(b)(2) does not impose a tax on an employee of the United States government conducting official business in the district or a person who occupies a lodging facility or campground in the district if the person has evacuated from the person's home due to an emergency and the state has temporarily suspended collection of the state hotel occupancy tax.

(b) Prohibits the district from taxing a transaction between a person and an interest operated by the United States in the district or a state park in the district.

SECTION 3. Amends Section 324.122, Local Government Code, as follows:

Sec. 324.122. New heading: EFFECT OF INCORPORATION OR ANNEXATION.
Provides that the incorporation of a political subdivision or the annexation of any part of

a park district, rather than of any area in a park district, by a political subdivision does not affect the district's boundaries.

SECTION 4. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that that liability continues in effect as if this Act has not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 5. Effective date: September 1, 2009.