Senate Research Center

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C.S.H.B. 4037
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Natural Resources & Economic Development
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 4037 amends the Tax Code to cap at nine percent of the price paid for a hotel room the county hotel occupancy tax rate in a county that borders the Gulf of Mexico with a population of less than 25,000 and that is adjacent to a county with a population of more than 750,000.

C.S.H.B. 4037 authorizes a county that borders the Gulf of Mexico to use county hotel occupancy tax revenue, among other authorized uses, to acquire a site for and construct, improve, enlarge, equip, repair, operate, and maintain a visitor information center and to encourage, promote, and improve historical preservation and restoration efforts.

C.S.H.B. 4037 removes from the statutory provision conditioning the authority of a county that borders the Gulf of Mexico with a population of 50,000 to use county hotel occupancy tax revenue for certain purposes on the existence of at least one state park and one national wildlife refuge located in the county.

C.S.H.B. 4037 also authorizes Bell County to collect a hotel occupancy tax on room rental revenue from a hotel or motel in the county.

C.S.H.B. 4037 amends current law relating to the authority of certain counties to impose a hotel occupancy tax and the use of revenue from the hotel occupancy tax by certain counties, authorizes an increase in the rate of a tax, and authorizes the imposition of a tax.

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 352.002, Tax Code, by adding Subsection (n), to authorize the commissioners court of a county with a population of more than 300,000 and in which there is located all or part of the most populous military installation in this state to impose a tax as provided by Subsection (a) (authorizing the commissioners court of certain counties by the adoption of an order or resolution to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a certain room).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsections (p) and (t), as follows:

> (p) Provides that the county tax rate in relation to a hotel located in a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes), in a county authorized to impose the tax under Section 352.002(n), may not exceed a rate that, when added to the rate of the tax imposed by the municipality under Chapter 351, exceeds the sum of the rate prescribed by Section 351.003(a) plus two percent.

> (t) Provides that the tax rate in a county that is authorized to impose the tax under Section 352.002(a)(6) (relating to a county that borders the Gulf of Mexico), that has a population

of less than 25,000, and that is adjacent to a county with a population of more than 750,000 may not exceed nine percent of the price paid for a room in a hotel.

SECTION 3. Amends Sections 352.1033(a) and (c), Tax Code, as follows:

(a) Provides that, subject to Subsection (c), the revenue from a tax imposed under this chapter by a county that borders the Gulf of Mexico authorized to impose the tax by Section 352.002(a)(6) may be used only to:

(1)-(4) Makes no change to these subdivisions;

(5) and (6) Makes nonsubstantive changes;

(7) acquire a site for and construct, improve, enlarge, equip, repair, operate, and maintain a visitor information center; and

(8) encourage, promote, and improve historical preservation and restoration efforts.

(c) Authorizes a county, in addition to the uses allowed by Subsection (a), to impose a tax under this chapter by Section 352.002(a)(6) that has a population of 50,000 or less and in which there is located at least one national wildlife refuge, rather than at least one state park and one national wildlife refuge, to use the revenue from the tax to:

(1)-(3) Makes no change to these subdivisions.

SECTION 4. Effective date: upon passage or September 1, 2015.