

BILL ANALYSIS

Senate Research Center

S.B. 2208
By: Nichols
Natural Resources & Economic Development
5/27/2019
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Orange County has had great success in the past attracting sporting/music events and national fishing tournaments, including the Bassmaster Tournament. Each time they host an event, Orange County and the City of Orange generally come together to rent a pavilion. Current statute does not allow Orange County to build a multi-use pavilion using revenue derived from the hotel occupancy tax, which is set at the county level as two percent of the room cost. This bill will allow the county to use Hotel Occupancy Tax revenue to build a pavilion (and any related infrastructure including sidewalks, lighting, and fencing) that will be used to promote local tourism in Orange County, which will in turn circulate revenue back to the local hotels. Currently, Orange County plans on providing the infrastructure around the pavilion and the City of Orange will build the pavilion, with the county hotel tax expenditure being estimated at \$100,000. (Original Author's/Sponsor's Statement of Intent)

S.B. 2208 amends current law relating to the use of hotel occupancy tax revenue by certain counties.

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 Subchapter B, Chapter 352, Tax Code, by adding Section 352.111, as follows:

Sec. 352.111. USE OF REVENUE; COUNTIES BORDERING PORTION OF NECHES RIVER, SABINE RIVER, AND SABINE LAKE. (a) Authorizes the revenue from a tax imposed under this chapter (County Hotel Occupancy Taxes) by a county authorized to impose the tax by Section 352.002(a)(28) (relating to authorizing the commissioners court of a certain county to impose a tax on a person who pays for the use or possession or right to the use or possession of a room that is in a certain hotel), in addition to the purposes authorized by this chapter, to be used to construct and equip a pavilion that is primarily used for events attended by tourists and hotel guests and that has a substantial impact on hotel activity.

(b) Prohibits a county to which this section applies, if the county uses revenue derived from the tax imposed under this chapter for a purpose described by Subsection (a), from reducing the percentage of revenue from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(3) (relating to authorizing municipal hotel occupancy tax revenue to be used for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity) to a percentage that is less than the average percentage of that revenue allocated by the county for that purpose during the 36-month period preceding the date the county first uses hotel occupancy tax revenue for the purpose described by Subsection (a).

SECTION 2. Effective date: upon passage or September 1, 2019.