BILL ANALYSIS

Senate Research Center
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H.B. 2386
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

H.B. 2386 authorizes a county with a certain population to impose a facility use tax not to exceed $20 per event on the use of a livestock stall or pen. Under the bill's provisions, the imposition of such a fee requires voter approval and bond or other obligations for an approved sports and community venue project. An approved venue project is one in which the principal use of the venue is for rodeos, livestock shows, equestrian events, agricultural expositions, county fairs, or similar events.

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 Chapter 334, Local Government Code, by adding Subchapter K, as follows:

SUBCHAPTER K. LIVESTOCK FACILITY USE TAX

Sec. 334.401. DEFINITIONS. Defines "designated facility," "event," and "stall or pen."

Sec. 334.402. APPLICABILITY. Provides that this subchapter applies only to a county in which the majority of the population of two or more municipalities with a population of 300,000 or more are located, or a municipality for which the majority of the population is located in a county described by Subdivision (1).

Sec. 334.403. TAX AUTHORIZED. (a) Authorizes a municipality or a county to impose a facility use tax for the use or occupancy by livestock of a stall or pen at a designated facility in that municipality or county for which the municipality or county has issued bonds to plan, acquire, establish, develop, construct, or renovate.

(b) Authorizes the municipality or county to impose the facility use tax under this subchapter only at a designated facility that is an approved venue project.

(c) Authorizes a municipality or county to impose a tax under this subchapter only if the municipality or county issues bonds or other obligations under Section 334.043, and those bonds or other obligations are outstanding and unpaid, and the tax is approved at an election held under Section 334.024.

Sec. 334.404. TAX RATE. (a) Imposes the tax authorized by this subchapter on each stall or pen used or occupied at a designated facility.

(b) Authorizes the tax to be imposed at any uniform amount not to exceed $20 for each event.

(c) Requires the ballot proposition at the election held to adopt the tax to specify the maximum amount of the tax to be adopted.

(d) Authorizes different tax rates to be imposed based on the duration of an event, except that the rate must be uniform for each event of similar duration and the rate is prohibited from exceeding the maximum rate adopted by the voters.

(e) Authorizes the municipality or the county to repeal, decrease, and increase the rates of the tax imposed under this subchapter, except that the tax is prohibited from being imposed at a rate exceeding the maximum rate adopted by the voters.

Sec. 334.405. INCREASE IN MAXIMUM TAX RATE. (a) Authorizes a municipality or county, if the voters of the municipality or county have approved a tax under this subchapter at a rate of less than $20 for each event, to call an election for the approval of the voters to increase the maximum tax rate. Authorizes the municipality or county, if a majority of the votes cast at the election approve the new rate, to increase the rate of the tax to the maximum rate approved.

(b) Requires the ballot for an election to increase the rate of the tax to be printed in a certain manner.

Sec. 334.406. EXEMPTION. Authorizes the municipality by ordinance or the county by order to establish an exemption from the tax imposed under this subchapter for the use or occupancy of stalls or pens at a designated facility by livestock at a county junior livestock show.

Sec. 334.407. NATURE OF TAX. (a) Provides that the tax imposed by this subchapter is a debt owed to the owner or lessee of the designated facility by the user or sublessee of the designated facility and is recoverable at law.

(b) Provides that the tax imposed by this subchapter is not an occupation tax imposed on the owner or lessee of the designated facility, the user or the sublessee of the designated facility, the livestock, or the owner of the livestock.

Sec. 334.408. EFFECTIVE DATE OF TAX. Provides that a tax imposed under this subchapter or a change in a tax rate takes effect on the date prescribed by the ordinance or order imposing the tax or changing the rate.

Sec. 334.409. COLLECTION OF TAX. (a) Authorizes the municipality or county to require the owner or lessee of a designated facility in the municipality or county to collect the tax for the benefit of the municipality or county.

(b) Requires a person required to collect a tax imposed under this subchapter to report and send the taxes to the municipality or county as provided by the municipality or county imposing the tax.

(c) Authorizes a municipality or county, for a tax imposed under this subchapter, to prescribe penalties, including interest charges, for failure to keep records required by the municipality or county, to report when required, or to pay the tax when due. Authorizes an attorney acting for the municipality or county to bring suit against a person who fails to collect a tax under this subchapter and to pay the tax to the municipality or county as required.

(d) Authorizes a municipality or county to permit a person who is required to collect a tax under this subchapter to retain a percentage of the amount collected and required to be reported as reimbursement to the person for the costs of collecting the tax. Authorizes the municipality or county to provide that the person may retain the amount only if the person pays the tax and files reports as required by the municipality or county.

Sec. 334.410. DEPOSIT OF TAX REVENUE. Requires revenue from the tax imposed under this subchapter to be deposited in the venue project fund of the municipality or

county imposing the tax.

SECTION 2. Effective date: upon passage or September 1, 2003.