BILL ANALYSIS

Senate Research Center

S.B. 1111
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Intergovernmental Relations
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Enrolled

DIGEST AND PURPOSE

The Local Government Code allows certain counties to impose car rental and hotel occupancy taxes if the citizens of the county approve such taxes. S.B. 1111 allows Dallas County to levy an additional one percent tax on car rentals and hotel room rates to help finance a new sports stadium if the increase is approved by Dallas County voters.

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 334.103, Local Government Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that the tax authorized by this subchapter, except as provided by Subsection (c), is imposed at a rate in increments of one-eighth of one percent, not to exceed five percent, on the gross rental receipts from the rental in the municipality or county of a motor vehicle.

(c) Authorizes a county with a population of more than two million that is adjacent to a county with a population of more than one million to impose the tax authorized by this subchapter at a rate not to exceed six percent on the gross rental receipts from the rental in the county of a motor vehicle.

SECTION 2. Amends Subsection (a), Section 334.104, Local Government Code, as follows:

(a) Authorizes a municipality or county that has adopted a tax under this subchapter at a rate of less than five percent, except as provided by Section 334.1041, to by ordinance or order increase the rate of the tax to a maximum of five percent if the increase is approved by a majority of the registered voters of that municipality or county voting at an election called and held for that purpose.

SECTION 3. Amends Subchapter E, Chapter 334, Local Government Code, by adding Section 334.1041, as follows:

Sec. 334.1041. RATE INCREASE IN CERTAIN POPULOUS COUNTIES. (a) Provides that this section applies only to a county with a population of more than two million that is adjacent to a county with a population of more than one million.

(b) Authorizes a county that has adopted a tax under this subchapter at a rate of less than six percent to by order increase the rate of the tax to a maximum of six percent if the increase is approved by a majority of the registered voters of the county voting at an election called and held for that purpose.

(c) Requires the ballot for the election to increase the rate of the tax to be printed to permit voting for or against the proposition: "The increase of the motor vehicle

rental tax for the purpose of financing _____ (insert description of venue project) to a maximum rate of _____ percent (insert new maximum rate not to exceed six percent)."

SECTION 4. Amends Section 334.254, Local Government Code, as follows:

Sec. 334.254. TAX RATE. (a) Authorizes the tax authorized by this subchapter, except as provided by Subsection (c), to be imposed by a municipality or county at any rate not to exceed two percent of the price paid for a room in a hotel.

(b) Makes no changes.

(c) Authorizes a county with a population of more than two million that is adjacent to a county with a population of more than one million to impose the tax authorized by this subchapter at any rate not to exceed three percent of the price paid for a room in a hotel.

SECTION 5. Amends the heading to Section 35.023, Local Government Code, to read as follows:

Sec. 335.023. POLITICAL SUBDIVISION; RECORDS AND OPEN MEETINGS.

SECTION 6. Amends Section 335.023, Local Government Code, by adding Subsection (c), to provide that a district's books, records, and papers relating to an approved venue project and the revenue used to finance the project are public information and subject to disclosure under Chapter 552, Government Code.

SECTION 7. Amends Subchapter E, Chapter 335, Local Government Code, by adding Section 335.076, as follows:

Sec. 335.076. CONTRACTS WITH HISTORICALLY UNDERUTILIZED BUSINESSES. (a) Provides that this section applies only in relation to certain approved venue projects.

(b) Defines "historically underutilized business."

(c) Requires a district to make a good faith effort to increase the contracts the district awards to historically underutilized businesses for the construction of a venue project. Requires the district to make a good faith effort in the same manner, based on the same rules, and under the same conditions as a state agency under Section 2161.182, Government Code.

(d) Requires a district to make a good faith effort to increase the contracts the district awards to historically underutilized businesses for the purchase of goods and services relating to the construction or operation of a venue project. Requires the district to make the good faith effort in the same manner, based on the same rules, and under the same conditions as a state agency under Section 2161.181, Government Code.

SECTION 8. Effective date: upon passage or September 1, 2003.