

By: Hill

H.B. No. 2386

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the rate of hotel occupancy and motor vehicle rental  
3 taxes used to finance venue projects in certain counties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 334.103, Local Government Code, is  
6 amended to read as follows:

7 Sec. 334.103. SHORT-TERM RENTAL TAX. (a) Except as  
8 provided by Subsection (c), the [~~The~~] tax authorized by this  
9 subchapter is imposed at a rate in increments of one-eighth of one  
10 percent, not to exceed five percent, on the gross rental receipts  
11 from the rental in the municipality or county of a motor vehicle.

12 (b) The ballot proposition at the election held to adopt the  
13 tax must specify the maximum rate of the tax to be adopted.

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

19 SECTION 2. Section 334.104(a), Local Government Code, is  
20 amended to read as follows:

21 (a) Except as provided by Section 334.1041, a [~~A~~]  
22 municipality or county that has adopted a tax under this subchapter  
23 at a rate of less than five percent may by ordinance or order  
24 increase the rate of the tax to a maximum of five percent if the

1 increase is approved by a majority of the registered voters of that  
2 municipality or county voting at an election called and held for  
3 that purpose.

4 SECTION 3. Subchapter E, Chapter 334, Local Government  
5 Code, is amended by adding Section 334.1041 to read as follows:

6 Sec. 334.1041. RATE INCREASE IN CERTAIN POPULOUS COUNTIES.

7 (a) This section applies only to a county with a population of more  
8 than two million that is adjacent to a county with a population of  
9 more than one million.

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

15 (c) The ballot for the election to increase the rate of the  
16 tax shall be printed to permit voting for or against the  
17 proposition: "The increase of the motor vehicle rental tax for the  
18 purpose of financing \_\_\_\_\_ (insert description of venue project)  
19 to a maximum rate of \_\_\_\_\_ percent (insert new maximum rate not to  
20 exceed six percent)."

21 SECTION 4. Section 334.254, Local Government Code, is  
22 amended to read as follows:

23 Sec. 334.254. TAX RATE. (a) Except as provided by  
24 Subsection (c), the [The] tax authorized by this subchapter may be  
25 imposed by a municipality or county at any rate not to exceed two  
26 percent of the price paid for a room in a hotel.

27 (b) The ballot proposition at the election held to adopt the

1 tax must specify the maximum rate of the tax to be adopted.

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

6 SECTION 5. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2003.