

BILL ANALYSIS

C.S.H.B. 3351
By: Dunnam
Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Hotel occupancy taxes may provide counties with additional revenue. Many counties are not authorized to charge hotel occupancy taxes because they do not meet the requirements stipulated in Chapter 352 of the Tax Code.

This bill would authorize the commissioners court of any county that meets the particular descriptive criteria to adopt a tax rate applicable to the purchase of a hotel room, subject to a vote of the people.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Chapter 352, Tax Code by adding Section 352.0021. This authorizes the commissioners court of a county that has a population of 50,000 or less and is located on both the Brazos and Navasota Rivers, by the adoption of an order or resolution, to impose a tax on a person who pays for the use or possession of a room that is in a hotel, costs \$2 or more each day, and is ordinarily used for sleeping. The tax rate to be imposed may not exceed the rate authorized by Section 352.003(a) of the Tax Code.

If the commissioners court of a county authorized by Section 352.0021(a) adopts an order or resolution imposing the tax and setting the tax rate, the registered voters of the county must determine whether to approve the adopted tax rate at an election to be held not less than 30 or more than 90 days after the day on which the commissioners court adopted the tax rate.

SECTION 2. Effective clause.

EFFECTIVE DATE

If this Act receives a vote of two-thirds of all the members elected to each house, then the Act takes effect immediately. If this Act does not receive the requisite vote for immediate enactment, then the Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Fixes typographical errors, formatting errors and makes minor clarifying changes in the language

Renumbers subsections, by changing (e) (1) to (e), (e) (2) to (f), (e) (3) to (g) and merging (e) (4) into (g)

Adds subsection (h), stipulating that Section 41.001(a) of the Election Code does not apply to an election under this section