BILL ANALYSIS

Senate Research Center

H.B. 1669
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently a number of counties do not have the authority to impose a hotel occupancy tax.

H.B. 1669 adds a county meeting certain criteria to the list of counties that are authorized to impose a hotel occupancy tax.

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 352.002(a), Tax Code, to add a county that has a population of 16,000 or more and borders the entire north shore of Lake Somerville to the list of counties in which the commissioners court is authorized to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs $2 or more each day, and is ordinarily used for sleeping.

SECTION 2. Amends Subchapter A, Chapter 352, Tax Code, by adding Section 352.0021, as follows:

> Sec. 352.0021. TAX AUTHORIZED; RATIFICATION ELECTION. (a) Authorizes the commissioners court of a county that has a population of 20,000 or less and that is bordered by the Brazos and Navasota Rivers, subject to Subsection (e), by the adoption of an order or resolution, to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs $2 or more each day, and is ordinarily used for sleeping.

> (b) Requires the order or resolution imposing the tax to state the rate of the tax to be imposed. Prohibits the tax rate from exceeding the rate authorized by Section 352.003(a).

> (c) Provides that the price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except for those services related to cleaning and readying the room for use or possession.

> (d) Provides that the tax does not apply to a person who is a permanent resident under Section 156.101 (Exception--Permanent Resident).

> (e) Requires the registered voters of the county at an election held for that purpose to determine whether to approve the adopted tax rate if the commissioners court of a county authorized by Subsection (a) to impose the tax adopts an order or resolution imposing the tax and setting the tax rate.

(f) Requires the commissioners court to order that an election be held in the county on a date that is not less than 30 or more than 90 days after the date on which it adopted the tax rate. Sets forth the required language for the ballot.

(g) Provides that, if a majority of the votes cast in the election favor the proposition, the tax is imposed at the rate that was adopted by the commissioners court, and that, if the proposition is not approved, the tax is not effective.

(h) Provides that Section 41.001(a) (relating to uniform election dates), Election Code, does not apply to an election under this section.

SECTION 3. Amends Subchapter A, Chapter 352, Tax Code, by adding Section 352.0022, as follows:

Sec. 352.0022. TAX AUTHORIZED; RATIFICATION ELECTION. (a) Authorizes the commissioners court of a county that has a population of more than 15,000 and less than 20,000 and is located on the Trinity and Navasota Rivers, subject to Subsection (e), by the adoption of an order or resolution, to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs $2 or more each day, and is ordinarily used for sleeping.

(b) Requires the order or resolution imposing the tax to state the rate of the tax to be imposed. Prohibits the tax rate from exceeding the rate authorized by Section 352.003(a).

(c) Provides that the price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except for those services related to cleaning and readying the room for use or possession.

(d) Provides that the tax does not apply to a person who is a permanent resident under Section 156.101.

(e) Requires the registered voters of the county at an election held for that purpose to determine whether to approve the adopted tax rate if the commissioners court of a county authorized by Subsection (a) to impose the tax adopts an order or resolution imposing the tax and setting the tax rate.

(f) Requires the commissioners court to order that an election be held in the county on a date that is not less than 30 or more than 90 days after the date on which it adopted the tax rate. Sets forth the required language for the ballot.

(g) Provides that, if a majority of the votes cast in the election favor the proposition, the tax is imposed at the rate that was adopted by the commissioners court, and that, if the proposition is not approved, the tax is not effective.

(h) Provides that Section 41.001(a), Election Code, does not apply to an election under this section.

SECTION 4. Amends Section 352.003, Tax Code, by adding Subsections (h) and (i), as follows:

(h) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(a)(22) from exceeding two percent of the price paid for a room in a hotel.

(i) Prohibits the tax rate in a county authorized to impose the tax under Section 352.0022 from exceeding two percent of the price paid for a room in a hotel.

SECTION 5. Amends Subchapter A, Chapter 352, Tax Code, by adding Section 352.0023, as follows:

Sec. 352.0023. TAX AUTHORIZED; RATIFICATION ELECTION. (a) Authorizes the commissioners court of a county that has a population of less than 15,000 and that is bordered by the Trinity and Navasota Rivers, subject to Subsection (e), by the adoption of an order or resolution, to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs $2 or more each day, and is ordinarily used for sleeping.

(b) Requires the order or resolution imposing the tax to state the rate of the tax to be imposed. Prohibits the tax rate from exceeding the rate authorized by Section 352.003(a).

(c) Provides that the price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except for those services related to cleaning and readying the room for use or possession.

(d) Provides that the tax does not apply to a person who is a permanent resident under Section 156.101.

(e) Requires the registered voters of the county at an election held for that purpose to determine whether to approve the adopted tax rate if the commissioners court of a county authorized by Subsection (a) to impose the tax adopts an order or resolution imposing the tax and setting the tax rate.

(f) Requires the commissioners court to order that an election be held in the county on a date that is not less than 30 or more than 90 days after the date on which it adopted the tax rate. Sets forth the required language for the ballot.

(g) Provides that, if a majority of the votes cast in the election favor the proposition, the tax is imposed at the rate that was adopted by the commissioners court, and that, if the proposition is not approved, the tax is not effective.

(h) Provides that Section 41.001(a), Election Code, does not apply to an election under this section.

SECTION 6. Effective date: upon passage or September 1, 2007.