

## **BILL ANALYSIS**

C.S.H.B. 2322  
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Local Government Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law, the hotel occupancy tax is capped at four percent for counties without a municipality. CSHB 2322 will remove the four percent cap for certain border counties with a population of 10,000 or more that do not include an incorporated municipality and provide a cap of seven percent: that is, the same cap established for counties that do have at least one incorporated municipality.

While lightly populated, certain counties along the Texas-Mexico border do enjoy a significant amount of tourism on which they are increasingly dependent for maintaining a stable economy. These counties need the ability to impose a hotel occupancy tax at a rate comparable to that of more populous counties.

### **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 section 352.003(c), Tax Code, to exclude a county with a population of 10,000 or more that borders the United Mexican States.

SECTION 2: Stipulates exclusions related to the effective date of the Act.

SECTION 3: Effective Date

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

HB2322 had repealed Section 352.003(c), whereas CSHB2322 amends Section 352.003(c) to create an exclusion for a county with a population of 10,000 or more that borders the United Mexican States.