

BILL ANALYSIS

C.S.H.B. 2438

By: Truitt

Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the statute dealing with the municipal hotel occupancy tax is unclear as to whether a municipality may use that tax to pay for a transportation system that serves hotel customers as well as other people. CSHB 2438 would remove any confusion by allowing municipalities to use the hotel occupancy tax for certain transportation systems.

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

The Act amends Subchapter B, Chapter 351 of the Tax Code by adding Section 351.110 which states that, notwithstanding any other section of Chapter 351, of the Tax Code, a municipality is authorized to use the revenue derived from the municipal hotel occupancy tax for a transportation system to transport tourists from hotels in and near the municipality to: the commercial center of the municipality, a convention center in the municipality, other hotels in or near the municipality, and tourist attractions in or near the municipality. The transportation system may be owned and operated by the municipality or privately owned and operated but partially financed by the municipality.

EFFECTIVE DATE

Upon passage, or, if the bill does not receive the necessary vote, September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute authorizes the transportation system to serve a convention center in the municipality, other hotels in or near the municipality, and tourist attractions in or near the municipality, in addition to what is provided for in the bill as filed.