

## BILL ANALYSIS

Senate Research Center  
80R19570 MXM-D

C.S.H.B. 2438  
By: Truitt (Nelson)  
Intergovernmental Relations  
5/10/2007  
Committee Report (Substituted)

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law providing for the municipal hotel occupancy tax is unclear as to whether a municipality is authorized to use that tax to pay for a transportation system that serves hotel customers as well as other people. Allowing for such a system may provide smaller municipalities with the ability to accommodate tourists with transportation between hotels and local business and tourism areas if said municipalities do not have public transportation systems or taxis readily available.

C.S.H.B. 2438 authorizes municipalities to use the hotel occupancy tax for certain transportation systems.

### 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 Subchapter B, Chapter 351, Tax Code, by adding Section 351.110, as follows:

Sec. 351.110. ALLOCATION OF REVENUE FOR CERTAIN TRANSPORTATION SYSTEMS. (a) Authorizes a municipality to use the revenue derived from the tax imposed under this chapter (Municipal Hotel Occupancy Taxes) for a transportation system to transport tourists from hotels in and near the municipality to certain areas, notwithstanding any other provision of this chapter.

(b) Authorizes the transportation system that transports tourists to be owned and operated by the municipality, or to be privately owned and operated but partially funded by the municipality.

(c) Provides that this section does not authorize the use of revenue derived from the municipal hotel occupancy tax for a transportation system that serves the general public other than for a system that transports tourists as described by Subsection (a).

SECTION 2. Effective date: upon passage or September 1, 2007.