

BILL ANALYSIS

C.S.H.B. 3132
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Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Brazos County City Council adopted a resolution requesting that the Texas Legislature allow for a two percent county occupancy tax for Brazos County. CSHB 3132 applies the tax and how it is used to a county with a population over 150,000 that is bordered by both the Brazos River and the Navasota River.

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 Section 352.002, Tax Code, is amended to add the following:
- (f) The commissioners court of a county that has a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers may impose a tax as provided by Subsection (a). This subsection expires September 1, 2015.
- SECTION 2 Section 352.003, Tax Code, is amended by adding Subsection (h) to read as follows:
- (h) The tax rate in a county authorized to impose the tax under Section 352.002(f) may not exceed two percent of the price paid for a room in a hotel. This subsection expires September 1, 2015.
- SECTION 3 Subchapter B, Chapter 352, Tax Code, is amended by adding Section 352.1034 to read as follows:
- Sec. 352.1034 USE OF REVENUE AND RELATED ISSUES: MID-SIZED COUNTY BORDERING BRAZOS AND NAVASOTA RIVERS.
- (a) This section applies only to a county authorized to impose a tax by Section 352.002(f).
- (b) The county must spend at least 45 percent of the revenue from the tax on marketing projects that directly promote tourism, hotel, and convention activity.
- (c) The county shall produce an annual report indicating the tourism, hotel, and convention activity attributable to events held at facilities that receive money from the tax.
- (d) The county shall create an advisory committee to oversee spending of the tax. The committee must include at least two representatives from the hotel industry.
- (e) This section expires September 1, 2015.

SECTION 4

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The original bill added a county that has a population of 150,000 or more that is bordered by the Brazos and Navasota Rivers to the 352.002 of the Tax Code and stated that the tax may not exceed 2 percent of the price paid for the room. The substitute maintained that language, but outlines how the money must be spent, requires that the county shall produce an annual report and an advisory committee to oversee the spending of the funds and sets an expiration date of Sept 1, 2015 for the provisions. The substitute brackets these provisions to the county this bill applies.

EFFECTIVE DATE

September 1, 2007