

BILL ANALYSIS

H.B. 3660
By: Dunnam
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Hotel occupancy taxes may provide counties with additional revenue. Many counties are not authorized to charge hotel occupancy taxes because they do not meet the requirements stipulated in Chapter 352 of the Tax Code.

This bill would authorize the commissioners court of any county that meets the particular descriptive criteria to adopt a tax rate applicable to the purchase of a hotel room, subject to a vote of the people.

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 Chapter 352, Tax Code by adding Section 352.0021. TAX AUTHORIZED; RATIFICATION ELECTION. This stipulates that 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, by the adoption of an order or resolution, may 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 of 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.

The bill stipulates that the order or resolution imposing the tax must state the rate of the tax to be imposed. The tax rate to be imposed may not exceed the rate authorized by Section 352.003(a) of the Tax Code.

The bill stipulates that the price of the 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.

The bill stipulates that the tax does not apply to a person who is a permanent resident under Section 156.101.

The bill stipulates that the tax rate adopted by the commissioners court of the county must be voted on in an election to approve the adopted rate.

The bill stipulates that the commissioners court shall 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. At the election, the ballots shall be prepared to permit voting for or against the proposition.

The bill stipulates that if the 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. If the proposition is not approved, the tax is not effective.

The bill stipulates that Section 41.001(a), Election Code, does not apply to an election under this section.

SECTION 2. Effective clause.

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EFFECTIVE DATE

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 requisite vote for immediate enactment, then the Act takes effect September 1, 2005.