

## **BILL ANALYSIS**

S.B. 1463  
By: Seliger  
Local Government Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Hotel occupancy taxes are used to fund a variety of purposes, including the promotion of tourism. SB 1463 authorizes the commissioners court of certain counties to impose a tax of not more than 1 percent of the price paid for a hotel room in the county.

### **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**

This bill amends Sec. 352.002, Tax Code, by adding Subsection (a-1) which authorizes the commissioners court of a county in which an airport essential to the economy of the county is located to impose a tax on a person who pays for the use or possession or for the right of a room in a hotel that costs \$2 or more each day and is used for sleeping. For the purpose of this subsection, an airport is considered to be essential to the economy of a county only if the airport is a commercial service international airport within Class C airspace and is located in a county and owned by a municipality each having a population of less than 125,000.

The bill also amends Sec. 352.003, Tax Code, by adding Subsection (h) to provide that the tax rate under Section 352.002 (a-1) may not exceed one percent of the price paid for a hotel room.

The bill also amends Sec 352.109, Tax Code, by adding Subsection (b-1) to require a county to which Section 352.002 (a-1) applies to produce an annual report describing the activities held at facilities that received funding from the tax during the period covered by the report.

### **EFFECTIVE DATE**

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