

SENATE AMENDMENTS

2nd Printing

By: Cook of Colorado

H.B. No. 1669

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 352.002(a), Tax Code, is amended to read as follows:

(a) The commissioners courts of the following counties 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 or 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:

(1) a county that has a population of more than 3.3 million;

(2) a county that has a population of 90,000 or more, borders the United Mexican States, and does not have three or more cities that each have a population of more than 17,500;

(3) a county in which there is no municipality;

(4) a county in which there is located an Indian reservation under the jurisdiction of the United States government;

(5) a county that has a population of 30,000 or less, that has no more than one municipality with a population of less than 2,500, and that borders two counties located wholly in the Edwards Aquifer Authority established by Chapter 626, Acts of the

1 73rd Legislature, Regular Session, 1993;

2 (6) a county that borders the Gulf of Mexico;

3 (7) a county that has a population of less than 5,000,
4 that borders the United Mexican States, and in which there is
5 located a major observatory;

6 (8) a county that has a population of 12,000 or less
7 and borders the Toledo Bend Reservoir;

8 (9) a county that has a population of less than 12,000
9 and an area of less than 275 square miles;

10 (10) a county that has a population of 30,000 or less
11 and borders Possum Kingdom Lake;

12 (11) a county that borders the United Mexican States
13 and has a population of more than 300,000 and less than 600,000;

14 (12) a county that has a population of 35,000 or more
15 and borders or contains a portion of Lake Fork Reservoir;

16 (13) a county that borders the United Mexican States
17 and in which there is located a national recreation area;

18 (14) a county that borders the United Mexican States
19 and in which there is located a national park of more than 400,000
20 acres;

21 (15) a county that has a population of 28,000 or less,
22 that has no more than four municipalities, and that is located
23 wholly in the Edwards Aquifer Authority established by Chapter 626,
24 Acts of the 73rd Legislature, Regular Session, 1993;

25 (16) a county that has a population of 25,000 or less,
26 whose territory is less than 750 square miles, and that has two
27 incorporated municipalities, each with a population of 800 or less,

1 located on the Frio River;

2 (17) a county that has a population of 34,000 or more
3 and borders Lake Buchanan;

4 (18) a county that has a population of more than 45,000
5 and less than 75,000, that borders the United Mexican States, and
6 that borders or contains a portion of Falcon Lake;

7 (19) a county with a population of 21,000 or less that
8 borders the Neches River and in which there is located a national
9 preserve;

10 (20) a county that has a population of 22,500 or less
11 and that borders or contains a portion of Lake Livingston; ~~and~~

12 (21) a county that has a population of less than 22,000
13 and in which the birthplace of a president of the United States is
14 located; and

15 (22) a county that has a population of 16,000 or more
16 and borders the entire north shore of Lake Somerville.

17 SECTION 2. Subchapter A, Chapter 352, Tax Code, is amended
18 by adding Section 352.0021 to read as follows:

19 Sec. 352.0021. TAX AUTHORIZED; RATIFICATION ELECTION. (a)
20 Subject to Subsection (e), the commissioners court of a county that
21 has a population of 20,000 or less and that is bordered by the
22 Brazos and Navasota Rivers, by the adoption of an order or
23 resolution, may impose a tax on a person who, under a lease,
24 concession, permit, right of access, license, contract, or
25 agreement, pays for the use or possession or for the right to the
26 use or possession of a room that is in a hotel, costs \$2 or more each
27 day, and is ordinarily used for sleeping.

1 (b) The order or resolution imposing the tax must state the
2 rate of the tax to be imposed. The tax rate may not exceed the rate
3 authorized by Section 352.003(a).

4 (c) The price of a room in a hotel does not include the cost
5 of food served by the hotel and the cost of personal services
6 performed by the hotel for the person except for those services
7 related to cleaning and readying the room for use or possession.

8 (d) The tax does not apply to a person who is a permanent
9 resident under Section 156.101.

10 (e) If the commissioners court of a county authorized by
11 Subsection (a) to impose the tax adopts an order or resolution
12 imposing the tax and setting the tax rate, the registered voters of
13 the county at an election held for that purpose must determine
14 whether to approve the adopted tax rate.

15 (f) The commissioners court shall order that an election be
16 held in the county on a date that is not less than 30 or more than 90
17 days after the date on which it adopted the tax rate. At the
18 election, the ballots shall be prepared to permit voting for or
19 against the proposition: "Approving the county hotel occupancy tax
20 at a rate of _____ percent of the price paid for a room in a hotel."

21 (g) If a majority of the votes cast in the election favor the
22 proposition, the tax is imposed at the rate that was adopted by the
23 commissioners court. If the proposition is not approved, the tax is
24 not effective.

25 (h) Section 41.001(a), Election Code, does not apply to an
26 election under this section.

27 SECTION 3. Subchapter A, Chapter 352, Tax Code, is amended

1 by adding Section 352.0022 to read as follows:

2 Sec. 352.0022. TAX AUTHORIZED; RATIFICATION ELECTION. (a)
3 Subject to Subsection (e), the commissioners court of a county that
4 has a population of more than 15,000 and less than 20,000 and is
5 located on the Trinity and Navasota Rivers, by the adoption of an
6 order or resolution, may impose a tax on a person who, under a
7 lease, concession, permit, right of access, license, contract, or
8 agreement, pays for the use or possession or for the right to the
9 use or possession of a room that is in a hotel, costs \$2 or more each
10 day, and is ordinarily used for sleeping.

11 (b) The order or resolution imposing the tax must state the
12 rate of the tax to be imposed. The tax rate may not exceed the rate
13 authorized by Section 352.003(i).

14 (c) The price of a room in a hotel does not include the cost
15 of food served by the hotel and the cost of personal services
16 performed by the hotel for the person except for those services
17 related to cleaning and readying the room for use or possession.

18 (d) The tax does not apply to a person who is a permanent
19 resident under Section 156.101.

20 (e) If the commissioners court of a county authorized by
21 Subsection (a) to impose the tax adopts an order or resolution
22 imposing the tax and setting the tax rate, the registered voters of
23 the county at an election held for that purpose must determine
24 whether to approve the adopted tax rate.

25 (f) The commissioners court shall order that an election be
26 held in the county on a date that is not less than 30 or more than 90
27 days after the date on which it adopted the tax rate. At the

1 election, the ballots shall be prepared to permit voting for or
2 against the proposition: "Approving the county hotel occupancy tax
3 at a rate of ___ percent of the price paid for a room in a hotel."

4 (g) If a majority of the votes cast in the election favor the
5 proposition, the tax is imposed at the rate that was adopted by the
6 commissioners court. If the proposition is not approved, the tax is
7 not effective.

8 (h) Section 41.001(a), Election Code, does not apply to an
9 election under this section.

10 SECTION 4. Section 352.003, Tax Code, is amended by adding
11 Subsections (h) and (i) to read as follows:

12 (h) The tax rate in a county authorized to impose the tax
13 under Section 352.002(a)(22) may not exceed two percent of the
14 price paid for a room in a hotel.

15 (i) The tax rate in a county authorized to impose the tax
16 under Section 352.0022 may not exceed two percent of the price paid
17 for a room in a hotel.

18 SECTION 5. Subchapter A, Chapter 352, Tax Code, is amended
19 by adding Section 352.0023 to read as follows:

20 Sec. 352.0023. TAX AUTHORIZED; RATIFICATION ELECTION. (a)
21 Subject to Subsection (e), the commissioners court of a county that
22 has a population of less than 15,000 and that is bordered by the
23 Trinity and Navasota Rivers, by the adoption of an order or
24 resolution, may impose a tax on a person who, under a lease,
25 concession, permit, right of access, license, contract, or
26 agreement, pays for the use or possession or for the right to the
27 use or possession of a room that is in a hotel, costs \$2 or more each

1 day, and is ordinarily used for sleeping.

2 (b) The order or resolution imposing the tax must state the
3 rate of the tax to be imposed. The tax rate may not exceed the rate
4 authorized by Section 352.003(a).

5 (c) The price of a room in a hotel does not include the cost
6 of food served by the hotel and the cost of personal services
7 performed by the hotel for the person except for those services
8 related to cleaning and readying the room for use or possession.

9 (d) The tax does not apply to a person who is a permanent
10 resident under Section 156.101.

11 (e) If the commissioners court of a county authorized by
12 Subsection (a) to impose the tax adopts an order or resolution
13 imposing the tax and setting the tax rate, the registered voters of
14 the county at an election held for that purpose must determine
15 whether to approve the adopted tax rate.

16 (f) The commissioners court shall order that an election be
17 held in the county on a date that is not less than 30 or more than 90
18 days after the date on which it adopted the tax rate. At the
19 election, the ballots shall be prepared to permit voting for or
20 against the proposition: "Approving the county hotel occupancy tax
21 at a rate of ___ percent of the price paid for a room in a hotel."

22 (g) If a majority of the votes cast in the election favor the
23 proposition, the tax is imposed at the rate that was adopted by the
24 commissioners court. If the proposition is not approved, the tax is
25 not effective.

26 (h) Section 41.001(a), Election Code, does not apply to an
27 election under this section.

1 SECTION 6. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Atty. Gen.
Secretary of the Senate

By: R. Cook

H.B. No. 1669

Substitute the following for H.B. No. 1669:

By: [Signature]

C.S. H.B. No. 1669

A BILL TO BE ENTITLED

AN ACT

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2 relating to the authority of certain counties to impose a county
3 hotel occupancy tax and to the rate of the tax.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 352.002(a), Tax Code, is amended to read
6 as follows:

7 (a) The commissioners courts of the following counties by
8 the adoption of an order or resolution may impose a tax on a person
9 who, under a lease, concession, permit, right of access, license,
10 contract, or agreement, pays for the use or possession or for the
11 right to the use or possession of a room that is in a hotel, costs \$2
12 or more each day, and is ordinarily used for sleeping:

13 (1) a county that has a population of more than 3.3
14 million;

15 (2) a county that has a population of 90,000 or more,
16 borders the United Mexican States, and does not have three or more
17 cities that each have a population of more than 17,500;

18 (3) a county in which there is no municipality;

19 (4) a county in which there is located an Indian
20 reservation under the jurisdiction of the United States government;

21 (5) a county that has a population of 30,000 or less,
22 that has no more than one municipality with a population of less
23 than 2,500, and that borders two counties located wholly in the
24 Edwards Aquifer Authority established by Chapter 626, Acts of the

1 73rd Legislature, Regular Session, 1993;

2 (6) a county that borders the Gulf of Mexico;

3 (7) a county that has a population of less than 5,000,
4 that borders the United Mexican States, and in which there is
5 located a major observatory;

6 (8) a county that has a population of 12,000 or less
7 and borders the Toledo Bend Reservoir;

8 (9) a county that has a population of less than 12,000
9 and an area of less than 275 square miles;

10 (10) a county that has a population of 30,000 or less
11 and borders Possum Kingdom Lake;

12 (11) a county that borders the United Mexican States
13 and has a population of more than 300,000 and less than 600,000;

14 (12) a county that has a population of 35,000 or more
15 and borders or contains a portion of Lake Fork Reservoir;

16 (13) a county that borders the United Mexican States
17 and in which there is located a national recreation area;

18 (14) a county that borders the United Mexican States
19 and in which there is located a national park of more than 400,000
20 acres;

21 (15) a county that has a population of 28,000 or less,
22 that has no more than four municipalities, and that is located
23 wholly in the Edwards Aquifer Authority established by Chapter 626,
24 Acts of the 73rd Legislature, Regular Session, 1993;

25 (16) a county that has a population of 25,000 or less,
26 whose territory is less than 750 square miles, and that has two
27 incorporated municipalities, each with a population of 800 or less,

1 located on the Frio River;

2 (17) a county that has a population of 34,000 or more
3 and borders Lake Buchanan;

4 (18) a county that has a population of more than 45,000
5 and less than 75,000, that borders the United Mexican States, and
6 that borders or contains a portion of Falcon Lake;

7 (19) a county with a population of 21,000 or less that
8 borders the Neches River and in which there is located a national
9 preserve;

10 (20) a county that has a population of 22,500 or less
11 and that borders or contains a portion of Lake Livingston; [~~and~~]

12 (21) a county that has a population of less than 22,000
13 and in which the birthplace of a president of the United States is
14 located;

15 (22) a county that has a population of 16,000 or more
16 and borders the entire north shore of Lake Somerville;

17 (23) a county that has a population of 20,000 or less
18 and that is bordered by the Brazos and Navasota Rivers;

19 (24) a county that has a population of more than 15,000
20 and less than 25,000 and is located on the Trinity and Navasota
21 Rivers; and

22 (25) a county that has a population of less than 15,000
23 and that is bordered by the Trinity and Navasota Rivers.

24 SECTION 2. Section 352.003, Tax Code, is amended by adding
25 Subsection (h) to read as follows:

26 (h) The tax rate in a county authorized to impose the tax
27 under Section 352.002(a)(22), (23), (24), or (25) may not exceed

1 two percent of the price paid for a room in a hotel.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1669 by Cook, Robby (Relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1669, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Burelson County</i>	Probable Revenue Gain/(Loss) from <i>Robertson County</i>	Probable Revenue Gain/(Loss) from <i>Leon County</i>	Probable Revenue Gain/(Loss) from <i>Madison County</i>
2008	\$26,000	\$38,000	\$86,000	\$32,000
2009	\$27,000	\$40,000	\$89,000	\$33,000
2010	\$28,000	\$41,000	\$93,000	\$34,000
2011	\$29,000	\$43,000	\$96,000	\$35,000
2012	\$30,000	\$44,000	\$99,000	\$36,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.

The bill would allow a county that has a population of 16,000 or more and borders the entire north shore of Lake Somerville to impose a county hotel occupancy tax, not exceeding a tax rate of two percent.

The bill would allow a county with a population of less than 20,000 and that is bordered by the Brazos and Navasota Rivers to charge a hotel occupancy tax, not exceeding a tax rate of two percent.

The bill would allow a county with a population of more than 15,000 and less than 20,000 and that is located on the Trinity and Navasota Rivers to charge a hotel occupancy tax, not exceeding a tax rate of two percent.

The bill would allow a county with a population of less than 15,000 and that is bordered by the Trinity and Navasota Rivers to charge a hotel occupancy tax, not exceeding a tax rate of two percent.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Methodology

According to the Comptroller of Public Accounts, there are four counties that would meet the criteria in the bill: Burleson, Robertson, Leon, and Madison.

For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from the four counties from its tax files, and multiplied the receipts by the two percent maximum tax rate authorized by the bill to determine the maximum possible gain to each county.

The Comptroller reports that it is not known whether any of the four counties would approve a county hotel occupancy tax or at what rate. For the purpose of this estimate, it is assumed that the counties would adopt a county hotel occupancy tax at the maximum rate authorized by the bill.

Local Government Impact

The fiscal impact to local government is illustrated in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, DB, CT, SD, EB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 8, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1669 by Cook, Robby (Relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1669, As Engrossed: an impact of \$0 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Burelson County</i>	Probable Revenue Gain/(Loss) from <i>Robertson County</i>	Probable Revenue Gain/(Loss) from <i>Leon County</i>	Probable Revenue Gain/(Loss) from <i>Madison County</i>
2008	\$26,000	\$134,000	\$86,000	\$110,000
2009	\$27,000	\$139,000	\$89,000	\$115,000
2010	\$28,000	\$144,000	\$93,000	\$119,000
2011	\$29,000	\$150,000	\$96,000	\$123,000
2012	\$30,000	\$155,000	\$99,000	\$127,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.

The bill would allow a county that has a population of 16,000 or more and borders the entire north shore of Lake Somerville to impose a county hotel occupancy tax, not exceeding a tax rate of two percent.

The bill would allow a county with a population of less than 20,000 and that is bordered by the Brazos and Navasota Rivers to charge a hotel occupancy tax, not exceeding a tax rate of seven percent. However, the tax would have to be authorized by the commissioners court of that county and a vote by the registered voters of that county. .

The bill would allow a county with a population of more than 15,000 and less than 20,000 and that is located on the Trinity and Navasota Rivers to charge a hotel occupancy tax, not exceeding a tax rate of

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two percent. However, the tax would have to be authorized by the commissioners court of that county and by a vote of the registered voters of that county.

The bill would allow a county with a population of less than 15,000 and that is bordered by the Trinity and Navasota Rivers to charge a hotel occupancy tax, not exceeding a tax rate of seven percent. However, the tax would have to be authorized by the commissioners court of that county and a vote by the registered voters of that county.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Methodology

According to the Comptroller of Public Accounts, there are four counties that would meet the criteria in the bill: Burleson, Robertson, Leon, and Madison.

For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from the four counties from its tax files, and multiplied the receipts by the maximum tax rate authorized by the bill. To determine the maximum possible gain to each county, the following authorized maximum tax rates were used: two percent for Burleson and Leon Counties and seven percent for Robertson and Madison Counties.

The Comptroller reports that it is not known whether any of the four counties would approve a county hotel occupancy tax or at what rate. For the purpose of this estimate, it is assumed that the counties would adopt a county hotel occupancy tax at the maximum rate authorized by the bill.

Local Government Impact

The fiscal impact to local government is illustrated in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, DB, CT, SD, EB

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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 9, 2007

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1669 by Cook, Robby (Relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1669, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Burleson County</i>
2008	\$26,000
2009	\$27,000
2010	\$28,000
2011	\$29,000
2012	\$30,000

Fiscal Analysis

The bill would amend Section 352.002 of the Tax Code to allow a county that has a population of 16,000 or more and borders the entire north shore of Lake Somerville to impose a county hotel occupancy tax, not exceeding a tax rate of 2 percent.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Methodology

According to the Comptroller of Public Accounts, the only county that would meet the criteria in the bill would be Burleson County.

For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from Burleson County from its tax files, and multiplied the receipts by 2 percent (the maximum tax rate authorized by

the bill) to determine the maximum potential gain to Burleson County.

The Comptroller reports that it is not known whether the county would approve a county hotel occupancy tax or at what rate. For the purpose of this estimate, it is assumed that the county would adopt a county hotel occupancy tax at the maximum rate authorized by the bill.

Local Government Impact

The fiscal impact to local government is illustrated in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, EB

