

BILL ANALYSIS

Senate Research Center
81R4384 CBH-F

H.B. 1139
By: Brown, Fred (Ogden)
Finance
5/6/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 1139 removes the sunset date provision in Section 352.002(f) of the Tax Code and provides that Brazos County is authorized to continue to levy the two percent hotel occupancy tax, with 20 percent of the amount collected to be used for marketing, until the commissioners court certifies that all debt payable from the tax has been paid in full. The bill authorizes the tax, after the certification, to be collected at a rate of 0.4 percent and requires the full amount collected to be used for marketing purposes.

H.B. 1139 relates to the authority of certain counties to impose a hotel occupancy tax and to the use of the tax.

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. Reletters Section 352.002(f), Tax Code, as added by Chapter 749 (H.B. 3132), Acts of the 80th Legislature, Regular Session, 2007, as Section 352.002(g), Tax Code, and amends it to delete existing text providing that this subsection expires September 1, 2015.

SECTION 2. Reletters Section 352.003(h), Tax Code, as added by Chapter 749 (H.B. 3132), Acts of the 80th Legislature, Regular Session, 2007, as Section 352.003(i), Tax Code, and amends it as follows:

(i) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(g), rather than Section 352.002(f) (relating to 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), except as provided by Subsection (i-1), from exceeding two percent of the price paid for a room in a hotel. Deletes existing text providing that this subsection expires September 1, 2015.

SECTION 3. Amends Section 352.003, Tax Code, by adding Subsection (i-1), as follows:

(i-1) Authorizes a county to impose the tax under Section 352.002(g) at the rate provided by Subsection (i) until the date the commissioners court certifies that all debt payable from the tax, including interest and any costs relating to the debt, has been paid in full or a deposit has been made and an escrow agreement in relation to the debt has been executed in compliance with Subchapter C (Direct Deposit with Paying Agent), Chapter 1207 (Refunding Bonds), Government Code. Prohibits the county from imposing the tax at a rate that exceeds 0.4 percent of the price paid for a room in a hotel on or after the first day of the first month after the date the commissioners court issues the certification.

SECTION 4. Amends Section 352.1034, Tax Code, by amending Subsections (a), (b), and (d) and adding Subsection (b-1), as follows:

(a) Makes a conforming change.

(b) Requires that a county, except as provided by Subsection (b-1), spend at least 20 percent, rather than 45 percent, of the revenue from the tax on marketing projects that directly promote tourism, hotel, and convention activity.

(b-1) Requires that the county, if the county imposes the tax at a rate that does not exceed 0.4 percent of the price paid for a room in a hotel as required by Section 352.003 (i-1), spend all of the revenue from the tax on marketing projects that directly promote tourism, hotel, and convention activity.

(d) Requires the commissioners court, rather than the county, to create a committee, rather than advisory committee, to approve, rather than oversee, spending of the tax for a construction project. Requires that the committee be composed of eight people and include four, rather than at least two, representatives from the tourism industry, rather than the hotel industry, selected from a list of a candidates submitted by the local lodging association.

SECTION 5. Repealer: Section 352.1034(e) (relating to the expiration date of this section), Tax Code.

SECTION 6. Effective date: upon passage or September 1, 2009.