

## **BILL ANALYSIS**

H.B. 1139  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, Brazos County is authorized to spend revenue raised through the hotel occupancy tax on marketing projects that directly promote tourism, hotel, and convention activity within the county.

H.B. 1139 permits the commissioner's court of Brazos County greater latitude in the application and expenditure of the county's hotel occupancy tax.

### **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**

H.B. 1139 amends the Tax Code to authorize a county with a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers to impose the hotel occupancy tax at a rate of two percent of the price paid for a room in a hotel until the date the commissioners court of the county 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 provisions relating to the direct deposit of an amount sufficient to provide for the payment or redemption of the obligation. The bill prohibits the county from imposing the tax at a rate that exceeds 0.4 percent on or after the first day of the first month after the date the commissioners court issues the certification.

H.B. 1139 decreases from 45 to 20 percent the percentage of the revenue from the hotel occupancy tax the county is required to spend on marketing projects that directly promote tourism, hotel, and convention activity, except the county is required to spend all of the revenue from the tax on such marketing projects 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. The bill clarifies that the commissioners court, rather than the county, is required to create a committee to approve, rather than oversee, spending of the tax and specifies that the spending is for a construction project. The bill requires the committee to be composed of eight people and clarifies that the committee must include four representatives from the tourism industry selected from a list of candidates submitted by the local lodging association, rather than at least two representatives from the hotel industry.

H.B. 1139 amends Section 352.002(f), Tax Code, as added by Chapter 749 (H.B. 3132), Acts of the 80th Legislature, Regular Session, 2007, to reletter the section as Section 352.002(g), Tax Code, and remove the September 1, 2015, expiration date on a provision authorizing the tax to be imposed.

H.B. 1139 amends Section 352.003(h), Tax Code, as added by Chapter 749 (H.B. 3132), Acts of the 80th Legislature, Regular Session, 2007, to reletter the section as Section 352.003(i), Tax

Code, and removes the September 1, 2015, expiration date on a provision limiting the tax rate.

H.B. 1139 repeals Section 352.1034(e), Tax Code, a provision setting a September 1, 2015, expiration date on provisions regarding the use of revenue and related issues for a mid-sized county bordering the Brazos and Navasota rivers.

**EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.