

BILL ANALYSIS

C.S.H.B. 3425
By: Hughes
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Section 351.101(a), Tax Code, enumerates the prescribed uses of revenue from the municipal hotel occupancy tax. Revenues may only be used to promote tourism and the convention and hotel industry. Currently, the statute is vague as to how this revenue may be used in posting signage to direct the public to different sights and attractions in the municipality. This bill seeks to grant greater flexibility to municipalities using revenue from the hotel occupancy tax for signage directing the public to sights and attractions.

C.S.H.B. 3425 amends the Tax Code to allow revenue from the municipal hotel occupancy tax to be used for signage directing the public to sights and attractions that are visited frequently by hotel guests in a municipality.

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

C.S.H.B. 3425 amends the Tax Code to allow revenue from the municipal hotel occupancy tax to be used for signage directing the public to sights and attractions that are visited frequently by hotel guests in a municipality.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3425 differs from the original by specifying that sights and attractions must be visited frequently by hotel guests in order for the authority to use municipal hotel occupancy tax revenue for directional signage.