

## **BILL ANALYSIS**

C.S.H.B. 3669  
By: Hopson  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Houston County is a rural, economically distressed county in East Texas with a population that has fallen from 31,000 in 1940 to 23,000 in 2007. In 2007, the percentage of Houston County residents living below the poverty level was 24 percent, compared to the state average of 16.3 percent, and the median household income was \$33,497, compared to the Texas median household income of \$47,563. For the last six months of 2008 the unemployment rate in Houston County was 24.5 percent higher than the statewide unemployment rate.

The answer to these problems is economic development, especially promotion of heritage tourism and recreational tourism. Houston County, the Gateway to the Texas Forest Country, is one of Texas' most historic counties. It was the first new county created by the Republic of Texas, established on June 12, 1837, and contains 234 official Texas historical markers. Houston County is home to Davy Crockett National Forest, Ratcliff Lake National Recreation Area, Mission Tejas State Park, site of the first Spanish mission in East Texas, and the Mission San Francisco de los Tejas, established in 1691. El Camino Real de los Tejas, which traverses Houston County, has recently been designated by Congress as a national historic trail.

The preservation and promotion of these assets will lead to increased tourism, which will be a critical component of Houston County's future economic well-being. The authorization of a hotel occupancy tax in Houston County will generate revenue for the following purposes: restoration, preservation, and promotion of historic buildings, sites, or museums; sponsorship and promotion of events and activities that encourage tourism; and construction of, improvements to, or maintenance of visitor information centers.

C.S.H.B. 3669 amends the Tax Code to authorize the commissioners court of a county with a population of more than 20,000 that is bordered by the Neches and Trinity Rivers and that contains portions of Davy Crockett National Forest to impose a county hotel occupancy tax and sets a cap on the rate of the tax imposed.

### **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. 3669 amends the Tax Code to authorize the commissioners court of a county with a population of more than 20,000 that is bordered by the Neches and Trinity Rivers and that contains portions of Davy Crockett National Forest to impose a county hotel occupancy tax. The bill prohibits the hotel occupancy tax rate in such a county from exceeding three percent of the price paid for a room in a hotel.

**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. 3669 differs from the original in a nonsubstantive technicality with respect to the statutory placement of the bill's provision within the Tax Code.

C.S.H.B. 3669 adds a provision not in the original prohibiting the hotel occupancy tax rate authorized by the bill in the specified county from exceeding three percent of the price paid for a room in a hotel.