

BILL ANALYSIS

H.B. 4794
By: McReynolds
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

H.B. 4794 prohibits a municipality with a population of more than 32,000 but less than 40,000 that is located in a county with a population of more than 80,000 and is home to a forestry museum featuring collections related to the forest industry from imposing a tax exceeding nine percent of the price paid for a room in a hotel. The bill provides that if such a tax rate, as applied, is greater than seven percent of the price paid for a hotel room, revenue generated from the tax shall be used for promotion of tourism in the municipality and for operation of a convention center in the 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

H.B. 4794 amends the Tax Code to prohibit the municipal hotel occupancy tax rate from exceeding nine percent of the price paid for a room in a municipality with a population of more than 32,000 but less than 40,000 that is located in a county with a population of more than 80,000 and is home to a forestry museum featuring collections related to the forest industry. The bill requires such a municipality to use the amount of revenue from the tax that is derived from the application of the tax at a rate of more than seven percent only for the promotion of tourism and the operation of a convention center located in the municipality.

EFFECTIVE DATE

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