

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Hopson

H.B. No. 3669

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain counties to impose a hotel occupancy tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 352.002, Tax Code, is amended by adding Subsection (k) to read as follows:

(k) 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 the Davy Crockett National Forest may impose a tax as provided by Subsection (a).

SECTION 2. Section 352.003, Tax Code, is amended by adding Subsection (m) to read as follows:

(m) The tax rate in a county authorized to impose the tax under Section 352.002(k) may not exceed three percent of the price paid for a room in a hotel.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

3rd Reading

BY: Steph Eoyden

FLOOR AMENDMENT NO. 1

1 Amend H.B. No. 3669 (senate committee printing) by adding  
2 appropriately numbered SECTIONS to the bill and renumbering  
3 subsequent SECTIONS accordingly:

4 SECTION \_\_. Section 352.002(f), Tax Code, as added by  
5 Chapter 749 (H.B. 3132), Acts of the 80th Legislature, Regular  
6 Session, 2007, is amended to read as follows:

7 (f) The commissioners court of a county that has a  
8 population of 150,000 or more and that is bordered by the Brazos  
9 and Navasota Rivers may impose a tax as provided by Subsection  
10 (a). [~~This subsection expires September 1, 2015.~~]

11 SECTION \_\_. Section 352.003(h), Tax Code, as added by  
12 Chapter 749 (H.B. 3132), Acts of the 80th Legislature, Regular  
13 Session, 2007, is amended to read as follows:

14 (h) The tax rate in a county authorized to impose the tax  
15 under Section 352.002(f) may not exceed two percent of the price  
16 paid for a room in a hotel. [~~This subsection expires September  
17 1, 2015.~~]

**ADOPTED**

MAY 27 2009

*Atay Spaw*  
Secretary of the Senate

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**ADOPTED**

MAY 27 2009

FLOOR AMENDMENT NO. 1

*Arlene Spaw*  
Secretary of the Senate

BY: *Steph E. Jordan*

1 Amend H.B. No. 3669 (Senate committee printing) in SECTION  
2 2 of the bill, in added Section 352.003(m), Tax Code (page 1,  
3 line 20), by striking "three" and substituting "two".

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 28, 2009**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3669** by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

The bill would authorize the commissioners court of certain counties to impose a county hotel occupancy tax not to exceed 2 percent of the price paid for a room in a hotel. Based on the population and geographic criteria within the bill, it would apply only to Houston County and to Brazos County.

**Local Government Impact**

The revenue gain would vary by county depending on the rate the commissioners court would set, the number of hotels in the county, and the level of occupancy of the hotels annually.

**Source Agencies:**

**LBB Staff:** JOB, DB

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 22, 2009**

**TO:** Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3669** by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3669, As Engrossed: an impact of \$0 through the biennium ending August 31, 2011.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2010        | \$0  |
| 2011        | \$0  |
| 2012        | \$0  |
| 2013        | \$0  |
| 2014        | \$0  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>Houston County</i> |
|-------------|--|
| 2010        | \$72,000   |
| 2011        | \$83,143   |
| 2012        | \$87,000   |
| 2013        | \$91,286   |
| 2014        | \$96,000   |

**Fiscal Analysis**

The bill would amend Chapter 352 of the Tax Code, regarding the county hotel occupancy tax.

Under the provisions of the bill, a county that is bordered by the Neches and Trinity Rivers, partially containing the Davy Crockett National Forest, and with a population greater than 20,000 would be allowed to impose a hotel occupancy tax. The tax rate authorized in this county may not exceed three percent of the price paid for a room.

The bill would take effect immediately upon enactment, assuming it receives two-thirds majority vote in each house. Otherwise, it would take effect September 1, 2009.

## **Methodology**

Based on the population and geographical limitations outlined, the bill would affect only Houston County.

The fiscal implications cannot be determined, as the tax rate that might be set by the county and the timing for the imposition of this tax are unknown. For the purpose of this analysis, the following illustrative table shows the fiscal impact should Houston County adopt the maximum 3 percent county hotel occupancy tax rate at the earliest date permissible.

## **Local Government Impact**

Fiscal implications to Houston County are reflected in the above table.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, DB

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**  
Revision 1

**May 11, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3669** by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **Committee Report 1st House, Substituted**

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|--|
| <b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3669, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011. |
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**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2010        | \$0  |
| 2011        | \$0  |
| 2012        | \$0  |
| 2013        | \$0  |
| 2014        | \$0  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>Houston County</i> |
|-------------|--|
| 2010        | \$72,000   |
| 2011        | \$83,143   |
| 2012        | \$87,000   |
| 2013        | \$91,286   |
| 2014        | \$96,000   |

**Fiscal Analysis**

The bill would amend Chapter 352 of the Tax Code, regarding the county hotel occupancy tax.

Under the provisions of the bill, a county that is bordered by the Neches and Trinity Rivers, partially containing the Davy Crockett National Forest, and with a population greater than 20,000 would be allowed to impose a hotel occupancy tax. The tax rate authorized in this county may not exceed three percent of the price paid for a room.

The bill would take effect immediately upon enactment, assuming it receives two-thirds majority vote in each house. Otherwise, it would take effect September 1, 2009.

## **Methodology**

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The fiscal implications cannot be determined, as the tax rate that might be set by the county and the timing for the imposition of this tax are unknown. For the purpose of this analysis, the following illustrative table shows the fiscal impact should Houston County adopt the maximum 3 percent county hotel occupancy tax rate at the earliest date permissible.

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**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, DB



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 3, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3669** by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3669, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2010        | \$0  |
| 2011        | \$0  |
| 2012        | \$0  |
| 2013        | \$0  |
| 2014        | \$0  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>Houston County</i> |
|-------------|--|
| 2010        | \$168,000  |
| 2011        | \$194,000  |
| 2012        | \$203,000  |
| 2013        | \$213,000  |
| 2014        | \$224,000  |

**Fiscal Analysis**

The bill would amend Chapter 352 of the Tax Code, regarding the county hotel occupancy tax.

Under the provisions of the bill, a county that is bordered by the Neches and Trinity Rivers, partially containing the Davy Crockett National Forest, and with a population greater than 20,000 would be allowed to impose a hotel occupancy tax.

The bill would take effect immediately upon enactment, assuming it receives two-thirds majority vote in each house. Otherwise, it would take effect September 1, 2009.

## **Methodology**

Based on the population and geographical limitations outlined, the bill would affect only Houston County.

To estimate the potential maximum fiscal impact of this bill, data on taxable hotel receipts for Houston County were gathered from Comptroller tax files, which were then multiplied by 7 percent (the maximum rate should this bill become law). The fiscal impact was then adjusted for the bill's effective date and extrapolated through 2014.

The fiscal implications cannot be determined, as the tax rate that might be set by the county and the timing for the imposition of this tax are unknown. For the purpose of this analysis, the following illustrative table shows the fiscal impact should Houston County adopt the maximum 7 percent county hotel occupancy tax rate at the earliest date permissible.

## **Local Government Impact**

Fiscal implications to Houston County are reflected in the above table.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, DB

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB3669** by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3669, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2010        | \$0  |
| 2011        | \$0  |
| 2012        | \$0  |
| 2013        | \$0  |
| 2014        | \$0  |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>Houston County</i> |
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| 2010        | \$168,000  |
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Fiscal Analysis

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Under the provisions of the bill, a county that is bordered by the Neches and Trinity Rivers, partially containing the Davy Crockett National Forest, and with a population greater than 20,000 would be allowed to impose a hotel occupancy tax.

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**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, DB

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**TAX/FEE EQUITY NOTE**

**81ST LEGISLATIVE REGULAR SESSION**

**May 3, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3669** by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **Committee Report 1st House, Substituted**

Because the bill would not create or impact a state tax or fee, no comment from this office is required by the rules of the House as to the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

**Source Agencies:**

**LBB Staff:** JOB, MN

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**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**TAX/FEE EQUITY NOTE**

**81ST LEGISLATIVE REGULAR SESSION**

**April 28, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

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**Source Agencies:**

**LBB Staff:** JOB, MN