

SENATE AMENDMENTS

2nd Printing

By: Gallego

H.B. No. 4781

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the imposition and rate of the county hotel occupancy
3 tax in certain counties.

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

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

7 (m) A tax imposed by a county that borders the United
8 Mexican States and in which there is located a national park of more
9 than 400,000 acres does not apply to a hotel located in a
10 municipality that imposes a tax under Chapter 351 applicable to the
11 hotel.

12 SECTION 2. Section 352.003(d), Tax Code, is amended to read
13 as follows:

14 (d) The tax rate in a county that borders the United Mexican
15 States and in which there is located a national park of more than
16 400,000 acres [~~authorized to impose the tax under Section~~
17 ~~352.002(a)(12)] may not exceed seven [~~three~~] percent of the price
18 paid for a room in a hotel.~~

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

ADOPTED

MAY 22 2009

FLOOR AMENDMENT NO. 1

Atay Spaw BY: *Seliger*
Secretary of the Senate

1 Amend H.B. 4781 (Senate committee printing) by adding
2 the following appropriately numbered SECTIONS:

3 SECTION __. Section 351.102, Tax Code, is amended by
4 amending Subsection (b) and adding Subsection (b-1) to read as
5 follows:

6 (b) An eligible central municipality or a municipality
7 with a population of 173,000 or more that is located within two
8 counties may pledge the revenue derived from the tax imposed
9 under this chapter from a hotel project that is owned by or
10 located on land owned by the municipality or, in an eligible
11 central municipality, by a nonprofit corporation acting on
12 behalf of an eligible central municipality, and that is located
13 within 1,000 feet of a convention center facility owned by the
14 municipality for the payment of bonds or other obligations
15 issued or incurred to acquire, lease, construct, and equip the
16 hotel and any facilities ancillary to the hotel, including shops
17 and parking facilities. For bonds or other obligations issued
18 under this subsection, an eligible central municipality or a
19 municipality with a population of 173,000 or more that is
20 located within two counties may only pledge revenue or other
21 assets of the hotel project benefiting from those bonds or other
22 obligations.

23 (b-1) A municipality with a population of 173,000 or more
24 that is located within two counties and is not an eligible
25 central municipality may not pledge revenue under Subsection (b)
26 in relation to a particular hotel project after the earlier of:

27 (1) the 20th anniversary of the date the municipality
28 first pledged the revenue to the hotel project; or

29 (2) the date the revenue pledged to the hotel project

1 equals 40 percent of the hotel project's total construction
2 cost.

3 SECTION __. Subsection (b), Section 1504.001, Government
4 Code, is amended to read as follows:

5 (b) An eligible central municipality, as defined by
6 Section 351.001, Tax Code, or a municipality with a population
7 of 173,000 or more that is located within two counties may
8 establish, acquire, lease as lessee or lessor, construct,
9 improve, enlarge, equip, repair, operate, or maintain a hotel,
10 and any facilities ancillary to the hotel, including shops and
11 parking facilities, that are owned by or located on land owned
12 by the municipality or by a nonprofit corporation acting on
13 behalf of the municipality, and that is located within 1,000
14 feet of a convention center facility owned by the municipality.

15 SECTION __. Subsection (b), Section 1504.002, Government
16 Code, is amended to read as follows:

17 (b) An eligible central municipality, as defined by
18 Section 351.001, Tax Code, or a municipality with a population
19 of 173,000 or more that is located within two counties by
20 ordinance may issue bonds or incur other obligations to acquire,
21 lease, construct, or equip a facility described by Section
22 1504.001(b).

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 23, 2009

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

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

IN RE: HB4781 by Gallego (Relating to the imposition and rate of the county hotel occupancy tax in certain counties.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 351 and 352 of the Tax Code.

The bill would limit the imposition of the hotel occupancy tax authorized by a county that borders Mexico and within which a national park of more than 400,000 acres is located. This provision would not apply to a hotel located in a municipality that imposes a municipal hotel occupancy tax.

The bill would remove the 3 percent cap on the hotel occupancy tax levied by a county authorized to impose the tax under Section 352.002(a) (12) for counties having a population of 35,000 or more bordering on or containing a portion of Lake Fork Reservoir, thereby allowing that county to increase the tax rate to the 7 percent maximum allowed by this chapter.

The bill would amend certain provisions relating to pledging revenue derived from the tax collected under Chapter 351, Tax Code for eligible municipalities or a municipality with a population of 173,000 or more that is located within two counties.

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

Local Government Impact

According to the Comptrollers analysis, Wood County is the only county currently authorized to impose a tax under Section 352.002(a) (12); however, based on the July 2008 population estimates from the U.S. Bureau of Census, Hopkins County is close to reaching the population requirement of 35,000.

Brewster County is the only county that borders Mexico and within which there is a national park of more than 400,000 acres. There could be a potential fiscal impact to Brewster County and Wood County upon passage of this bill and enactment by the county government. It is not known what hotels in those counties are within a municipality that now imposes a hotel occupancy tax. Therefore, the fiscal impact to units of local government cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CL, MN, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 15, 2009

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations & Trade

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

IN RE: HB4781 by Gallego (Relating to the imposition and rate of the county hotel occupancy tax in certain counties.), **As Engrossed**

No fiscal implication to the State is anticipated.

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

The bill would limit the imposition of the hotel occupancy tax authorized by a county that borders Mexico and within which a national park of more than 400,000 acres is located. This provision would not apply to a hotel located in a municipality that imposes a municipal hotel occupancy tax.

The bill would remove the 3 percent cap on the hotel occupancy tax levied by a county authorized to impose the tax under Section 352.002(a) (12) for counties having a population of 35,000 or more bordering on or containing a portion of Lake Fork Reservoir, thereby allowing that county to increase the tax rate to the 7 percent maximum allowed by this chapter.

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

Local Government Impact

According to the Comptrollers analysis, Wood County is the only county currently authorized to impose a tax under Section 352.002(a) (12); however, based on the July 2008 population estimates from the U.S. Bureau of Census, Hopkins County is close to reaching the population requirement of 35,000.

Brewster County is the only county that borders Mexico and within which there is a national park of more than 400,000 acres. There could be a potential fiscal impact to Brewster County and Wood County upon passage of this bill and enactment by the county government. It is not known what hotels in those counties are within a municipality that now imposes a hotel occupancy tax. Therefore, the fiscal impact to units of local government cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CL, MN, SD

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 6, 2009

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

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

IN RE: HB4781 by Gallego (Relating to the imposition and rate of the county hotel occupancy tax in certain counties.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

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

The bill would limit the imposition of the hotel occupancy tax authorized by a county that borders Mexico and within which a national park of more than 400,000 acres is located. This provision would not apply to a hotel located in a municipality that imposes a municipal hotel occupancy tax.

The bill would remove the 3 percent cap on the hotel occupancy tax levied by a county authorized to impose the tax under Section 352.002(a) (12) for counties having a population of 35,000 or more bordering on or containing a portion of Lake Fork Reservoir, thereby allowing that county to increase the tax rate to the 7 percent maximum allowed by this chapter.

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

Local Government Impact

According to the Comptrollers analysis, Wood County is the only county currently authorized to impose a tax under Section 352.002(a) (12); however, based on the July 2008 population estimates from the U.S. Bureau of Census, Hopkins County is close to reaching the population requirement of 35,000.

Brewster County is the only county that borders Mexico and within which there is a national park of more than 400,000 acres. There could be a potential fiscal impact to Brewster County and Wood County upon passage of this bill and enactment by the county government. It is not known what hotels in those counties are within a municipality that now imposes a hotel occupancy tax. Therefore, the fiscal impact to units of local government cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD

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: HB4781 by Gallego (Relating to the authority to impose a county hotel occupancy tax.), **As Introduced**

No fiscal implication to the State is anticipated.

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

The bill would authorize a county that borders Mexico, within which a national park of more than 400,000 acres is located, to impose a county hotel occupancy tax at a rate of up to 7 percent of the price paid for a room. That county could not impose the tax on hotels located in a city in the county that imposes a municipal hotel occupancy tax.

The bill would remove the 3 percent cap on the hotel occupancy tax levied by a county authorized to impose the tax under Section 352.002(a)(12) for counties having a population of 35,000 or more bordering on or containing a portion of Lake Fork Reservoir, thereby allowing that county to increase the tax rate to the 7 percent maximum allowed by this chapter.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009.

Local Government Impact

Under the geographical conditions outlined in the bill, Brewster County is the only county that borders Mexico and within which there is a national park of more than 400,000 acres. Currently, only Wood County is authorized to impose a tax under Section 352.002(a)(12); however, based on the July 2008 population estimates from the U.S. Bureau of Census, Hopkins County is close to reaching the population requirement of 35,000.

There could be a potential fiscal impact to Brewster County and Wood County upon passage of this bill and enactment by the county government. It is not known what hotels in those counties are within a municipality that now imposes a hotel occupancy tax. Therefore, the fiscal impact to units of local government cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

81ST LEGISLATIVE REGULAR SESSION

May 6, 2009

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

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

IN RE: HB4781 by Gallego (Relating to the imposition and rate of the county hotel occupancy tax in certain counties.), **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

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

IN RE: HB4781 by Gallego (Relating to the authority to impose a county hotel occupancy tax.), As
Introduced

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