

BILL ANALYSIS

C.S.H.B. 1315
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Certain counties and municipalities are currently authorized to issue a municipal hotel occupancy tax for, among other uses, promoting tourism. C.S.H.B. 1315 seeks to allow a municipality with a population of at least 3,500 but less than 5,500 that is the county seat of a county with a population of less than 50,000 that borders a county with a population of more than 1.6 million to promote tourism through certain capital projects and improvements funded by the municipal hotel occupancy tax.

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. 1315 amends the Tax Code to authorize a municipality with a population of at least 3,500 but less than 5,500 that is the county seat of a county with a population of less than 50,000 that borders a county with a population of more than 1.6 million to use all or any portion of the revenue derived from the municipal hotel occupancy tax for a business recruitment project to enhance hotel activity and encourage tourism and the construction, enlarging, equipping, improvement, maintenance, repairing, and operation of a recreational facility to encourage tourism.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1315 differs from the original by authorizing a municipality with a population of at least 3,500, rather than at least 4,000, as in the original, but less than 5,500 to which certain other conditions apply to use all or any portion of the revenue derived from the municipal hotel occupancy tax for certain purposes. The substitute differs from the original by identifying those purposes as a business recruitment project to enhance hotel activity and encourage tourism and the construction, enlarging, equipping, improvement, maintenance, repairing, and operation of a recreational facility to encourage tourism, whereas the original identifies the purposes as an economic development project and the construction, enlarging, equipping, improvement, maintenance, repairing, and operation of a recreational facility.