

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 1315  
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Economic Development  
5/19/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

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 amends current law relating to the use of municipal hotel occupancy tax revenue in certain municipalities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 351, Tax Code, by adding Section 351.1066, as follows:

Sec. 351.1066. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a)  
Provides that this section applies only to:

(1) 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; and

(2) a municipality with a population of at least 2,900 but less than 3,500 that is the county seat of a county with a population of less than 22,000 that is bordered by the Trinity River and includes a state park and a portion of a wildlife management area .

(b) Authorizes a municipality to which this section applies, notwithstanding any other provision of this chapter, to use all or any portion of the revenue derived from the municipal hotel occupancy tax for:

(1) a business recruitment project to substantially enhance hotel activity and encourage tourism; and

(2) the construction, enlarging, equipping, improvement, maintenance, repairing and operation of a recreational facility to substantially enhance hotel activity and encourage tourism.

SECTION 2. Amends Section 351.003, Tax Code, by adding Subsections (e) and (f), as follows:

(e) Prohibits the rate in a municipality that has a population of more than 95,000 and is in a county that borders Lake Palestine and has a population of more than 200,000 from exceeding nine percent of the price paid for a room. Requires the municipality to allocate for the construction, expansion, maintenance, or operation of convention center facilities all revenue received by the municipality that is derived from the application of the tax at a rate of more than seven percent of the price paid for a room in a hotel.

(f) Prohibits the rate in a municipality that has a population of at least 80,000 and is partly located in a county that borders the State of Louisiana and has a population of at least 60,000 from exceeding nine percent of the price paid for a room. Requires the municipality to allocate for the construction, expansion, maintenance, or operation of convention center facilities all revenue received by the municipality that is derived from the application of the tax at a rate of more than seven percent of the price paid for a room in a hotel.

SECTION 3. Effective date: upon passage or September 1, 2011.