

## **BILL ANALYSIS**

Senate Research Center

S.B. 349  
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Intergovernmental Relations  
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Enrolled

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

Currently, Section 351.003 (Tax Rates), Tax Code, authorizes certain municipalities to enact a hotel occupancy tax rate not to exceed nine percent of the price paid for a hotel room. However, many cities, including Tyler, are authorized to have a hotel occupancy tax rate of no more than seven percent. The Tyler City Council passed a resolution in support of being authorized to levy a hotel occupancy tax of up to nine percent, because the city wishes to create or expand venues to attract conventions and other visitors. S.B. 349 also applies to the City of Longview.

S.B. 349 amends current law relating to the hotel occupancy tax rate 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 Section 351.003, Tax Code, by adding Subsections (e) and (f), as follows:

(e) Prohibits the hotel occupancy tax 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 hotel occupancy tax 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 2. Effective date: upon passage or September 1, 2011.