

BILL ANALYSIS

C.S.S.B. 349
By: Eltife
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Certain municipalities are authorized to impose a hotel occupancy tax rate not to exceed nine percent of the price paid for a hotel room while that tax in certain other municipalities is capped at seven percent. According to interested parties, some municipalities have expressed support for increasing the seven percent tax rate out of a desire to create or expand convention center facilities. C.S.S.B. 349 seeks to provide for this increase with regard to the hotel occupancy tax rate in certain municipalities.

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.S.B. 349 amends the Tax Code to prohibit the municipal 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 and 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. The bill requires the municipalities to allocate for the construction, expansion, maintenance, or operation of convention center facilities all revenue received by the municipalities 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.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 349 contains provisions not included in the original requiring 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 and 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 to allocate for the construction, expansion, maintenance, or operation of convention center facilities all revenue received by the municipalities that is derived from the application of the municipal hotel occupancy tax at a rate of more than seven percent of the price paid for a room in a hotel.