

BILL ANALYSIS

Senate Research Center
82R2353 MXM-D

S.B. 349
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Intergovernmental Relations
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As Filed

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.

As proposed, 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 Subsection (e), to prohibit 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.

SECTION 2. Effective date: upon passage or September 1, 2011.