

## **BILL ANALYSIS**

C.S.S.B. 1185  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

According to interested parties, certain counties, such as Henderson County, have facilities that are frequently used to host events that generate a considerable portion of the hotel occupancy tax each year, supporting the tourist economy within those counties. Funding to operate and maintain such facilities comes from such events and from often inconsistent amounts allocated in county budgets. C.S.S.B. 1185 seeks to provide a more consistent source of funding for certain county facilities by amending provisions of law relating to the authority of certain counties to impose a county hotel occupancy tax for certain purposes.

### **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. 1185 amends the Tax Code to authorize the commissioners court of a county that has a population of 65,000 or more and that is bordered by the Neches and Trinity Rivers to impose a hotel occupancy tax. The bill caps the tax rate at two percent of the price paid for a room in a hotel and limits the use of the revenue from the tax to the operation and maintenance of a fairground in the county that has a substantial impact on tourism and hotel activity.

### **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. 1185 differs from the original with regard to the limitation on the use of the revenue from the hotel occupancy tax authorized by the bill to the operation and maintenance of a fairground in the county by specifying that the provision applies to a county fairground that has a substantial impact on tourism and hotel activity, whereas the original contains no such specification.