

BILL ANALYSIS

C.S.H.B. 505
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Agriculture & Livestock
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, certain counties such as Bee County are not authorized to impose a county hotel occupancy tax. Interested parties contend it would be beneficial for such a county to utilize funds from a hotel occupancy tax for the purpose of maintaining, operating, and improving a convention center and promoting tourism. C.S.H.B. 505 seeks to provide this benefit by establishing provisions relating to authorizing certain counties to impose a hotel occupancy tax.

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.H.B. 505 amends the Tax Code to authorize the commissioners court of a county with a population of less than 50,000 through which the Aransas River flows and that has a municipality with a population of more than 10,000 to impose a county hotel occupancy tax and restricts the authorized use of revenue from such a tax to the operation, maintenance, and improvement of a convention center in the county and to the advertisement and conduction of solicitations and promotional programs to attract tourists and convention delegates and registrants to the county. The bill caps the tax rate of such tax in the county at two percent of the price paid for a room in a hotel if the hotel is located in a municipality that imposes a municipal hotel occupancy tax applicable to that hotel.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 505 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantive differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 352.002, Tax Code, is amended.	SECTION 1. Same as introduced version.
No equivalent provision.	SECTION 2. Section 352.003, Tax Code, is amended by adding Subsection (s) to read as follows:

(s) The county tax rate in a county authorized to impose the tax under Section 352.002(r) may not exceed two percent of the price paid for a room in a hotel if the hotel is located in a municipality that imposes a tax under Chapter 351 applicable to that hotel.

SECTION 2. Subchapter B, Chapter 352, Tax Code, is amended by adding Section 352.1039 to read as follows:

Sec. 352.1039. USE OF REVENUE: CERTAIN COUNTIES THROUGH WHICH ARANSAS RIVER FLOWS. The revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(r) may be used only to operate, maintain, and improve a convention center in the county.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 3. Subchapter B, Chapter 352, Tax Code, is amended by adding Section 352.1039 to read as follows:

Sec. 352.1039. USE OF REVENUE: CERTAIN COUNTIES THROUGH WHICH ARANSAS RIVER FLOWS. The revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(r) may be used only to:

- (1) operate, maintain, and improve a convention center in the county; and
- (2) advertise and conduct solicitations and promotional programs to attract tourists and convention delegates and registrants to the county.

SECTION 4. Same as introduced version.