

## **BILL ANALYSIS**

H.B. 1908  
By: Eiland  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to interested parties, Texas hotel occupancy tax rates are among the highest in the country, which impacts the state's ability to compete for group and convention business. Combined state, county, and municipal taxes can result in cumulative rates of between 13 and 15 percent, in general, and even higher in some of the state's larger cities. Current law also allows the imposition of an additional local hotel occupancy tax for venue projects, such as the construction or expansion of a stadium or convention center, upon approval of a ballot proposition to finance a venue project in this manner. If approved, this venue tax increases the cumulative hotel occupancy tax still further.

H.B. 1908 seeks to address this problem by capping the total amount of the combined hotel occupancy tax rate from all sources at 17 percent of the price paid for a room in a hotel and requiring that the wording on a ballot for a venue project hotel occupancy tax include both the proposed increase in the hotel occupancy tax and what the cumulative hotel occupancy tax would be if the proposition is approved.

### **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**

H.B. 1908 amends the Local Government Code to expand the definition of "venue," as it relates to the regulation of sports and community venues, to include a convention center, to specify that a convention center facility referenced in that definition is a convention center facility as defined by provisions relating to municipal and county hotel occupancy taxes, and to remove as examples of related improvements referenced in the definition a convention center, civic center, civic center building, auditorium, and exhibition hall. The bill prohibits a municipality or county from proposing a hotel occupancy tax rate that would cause the combined hotel occupancy tax rate imposed from all sources at any location in the municipality or county, as applicable, to exceed 17 percent of the price paid for a room in a hotel and requires the ballot proposition at the election held to adopt such a tax to specify this maximum combined rate if the rate proposed in the ballot proposition is adopted. The bill sets out language relating to the combined rate to be included on the ballot propositions at certain elections held to impose or increase the rate of a hotel occupancy tax.

### **EFFECTIVE DATE**

September 1, 2013.