

BILL ANALYSIS

C.S.H.B. 1915
By: Herrero
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to interested parties, certain barrier island coastal municipalities, such as Corpus Christi and Port Aransas, are either not receiving an allocation of state hotel occupancy tax revenue or are receiving an allocation in an amount insufficient to fund the purposes for which the revenue is allocated, such as cleaning and maintaining public beaches. C.S.H.B. 1915 seeks to put these barrier island coastal municipalities on equal standing with other cities along the coast in terms of hotel occupancy tax revenue received from the state, for the purpose of funding beach maintenance, safety upgrades, and erosion management projects, all of which would help increase tourism in the area and boost local economies.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 1915 amends the Tax Code to change one of the components included within the boundaries of an eligible barrier island coastal municipality, for purposes of the allocation of hotel occupancy tax revenue to such a municipality, from a portion of a national seashore to an institution of higher education that is part of the Texas Coastal Ocean Observation Network. The bill sets the rate at which the comptroller of public accounts is to compute the amount of hotel occupancy tax revenue received from hotels located in a municipality with such a component at two percent, for the issuance to the municipality of a warrant drawn on the general revenue fund for that amount. The bill increases from one percent to two percent the rate at which the comptroller is to compute that amount for an eligible barrier island coastal municipality that includes within its boundaries a national estuarine research reserve.

C.S.H.B. 1915 includes as an authorized use of hotel occupancy tax revenue received by an eligible barrier island coastal municipality the cleaning and maintenance of bay shores owned by that municipality or leased by that municipality from the state. The bill makes statutory provisions relating to the allocation of municipal hotel occupancy tax revenue to such a municipality inapplicable to revenue derived from the collection of taxes paid by a person for the use or possession of or for the right to the use or possession of a room or space at a certain qualified hotel project, the owner of which is entitled to a rebate, refund, or payment of hotel occupancy tax revenue under the Texas Enterprise Zone Act or a specified statutory provision regarding tax refunds for enterprise projects.

EFFECTIVE DATE

October 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1915 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 156.2512, Tax Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (e) to read as follows:

(a) Not later than the last day of the month following a calendar quarter and subject to Subsection (d), the comptroller shall:

(1) compute the amount of revenue, excluding revenue described by Subsection (e), derived from the collection of taxes imposed under this chapter at a rate of two [~~one~~] percent and received from hotels located wholly or partly on barrier islands in an eligible barrier island coastal municipality; [~~described by Subsection (e)(1)(C)(i) or (ii)] and~~

(2) issue to the municipality a warrant drawn on the general revenue fund for that amount[; and

~~[(2) compute the amount of revenue derived from the collection of taxes imposed under this chapter at a rate of two percent and received from hotels located on barrier islands in an eligible barrier island coastal municipality described by Subsection (e)(1)(C)(iii) and issue to the municipality a warrant drawn on the general revenue fund for that amount].~~

(b) An eligible barrier island coastal municipality may use money received under this section only:

(1) to clean and maintain public beaches in that municipality; [~~and~~]

(2) for an erosion response project in that municipality; and

(3) to clean and maintain bay shores owned by that municipality or leased by that municipality from this state.

(c) In this section:

(1) "Eligible barrier island coastal municipality" means a municipality:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 156.2512, Tax Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (e) to read as follows:

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(1) compute the amount of revenue, excluding revenue described by Subsection (e), derived from the collection of taxes imposed under this chapter at a rate of two [~~one~~] percent and received from hotels located [on barrier islands] in an eligible barrier island coastal municipality; [~~described by Subsection (e)(1)(C)(i) or (ii)] and~~

(2) issue to the municipality a warrant drawn on the general revenue fund for that amount[; and

~~[(2) compute the amount of revenue derived from the collection of taxes imposed under this chapter at a rate of two percent and received from hotels located on barrier islands in an eligible barrier island coastal municipality described by Subsection (e)(1)(C)(iii) and issue to the municipality a warrant drawn on the general revenue fund for that amount].~~

(b) An eligible barrier island coastal municipality may use money received under this section only:

(1) to clean and maintain public beaches in that municipality; [~~and~~]

(2) for an erosion response project in that municipality; and

(3) to clean and maintain bay shores owned by that municipality or leased by that municipality from this state.

(c) In this section:

(1) "Eligible barrier island coastal municipality" means a municipality:

- (A) that borders on the Gulf of Mexico;
- (B) that is located wholly or partly on a barrier island; and
- (C) the boundaries of which:
 - (i) include an institution of higher education that is part of the Texas Coastal Ocean Observation Network under Section 33.065, Natural Resources Code [~~a portion of a national seashore~~];
 - (ii) include a national estuarine research reserve; or
 - (iii) are within 30 miles of the United Mexican States.
- (2) "Clean and maintain" has the meaning assigned by Section 61.063, Natural Resources Code.
- (3) "Erosion response project" has the meaning assigned by Section 33.601, Natural Resources Code.

(e) This section does not apply to revenue derived from the collection of taxes paid by persons for the use or possession of or for the right to the use or possession of a room or space at a qualified hotel project, the owner of which is entitled to a rebate, refund, or payment of hotel occupancy tax revenue under:

- (1) Section 2303.5055, Government Code;
- or
- (2) Section 151.429(h).

SECTION 2. This Act takes effect September 1, 2015.

- (A) that borders on the Gulf of Mexico;
- (B) that is located wholly or partly on a barrier island; and
- (C) the boundaries of which:
 - (i) include an institution of higher education that is part of the Texas Coastal Ocean Observation Network under Section 33.065, Natural Resources Code [~~a portion of a national seashore~~];
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- (1) Section 2303.5055, Government Code;
- or
- (2) Section 151.429(h).

SECTION 2. This Act takes effect October 1, 2015.