**BILL ANALYSIS**

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| Senate Research Center | H.B. 1634 |
| 86R25945 SRA-D | By: Kuempel (Zaffirini) |
|  | Natural Resources & Economic Development |
|  | 5/13/2019 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Many counties across the state levy and collect hotel occupancy taxes. Currently, Guadalupe County is not authorized to do so. Accordingly, H.B. 1634 would authorize the commissioners court of a county with a population of 110,000 or more through which the Guadalupe River flows to levy and collect a county hotel occupancy tax. The bill would cap the rate of the tax at seven percent of the price paid for a room. What's more, it would cap the tax rate at two percent of that price if the hotel is located in a municipality that imposes a municipal hotel occupancy tax applicable to the hotel or in the extraterritorial jurisdiction of a municipality with a population of less than 35,000 that imposes such a tax in that jurisdiction.

H.B. 1634 amends current law relating to the imposition and rate of the county hotel occupancy tax in certain counties, and authorizes the imposition of a tax.

**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 352.002, Tax Code, by adding Subsection (y) to authorize the commissioners court of a county with a population of 110,000 or more through which the Guadalupe River flows to impose a tax as provided by Subsection (a) (relating to authorizing the commissioners courts of certain counties to impose a tax on certain persons in relation to a hotel room).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (v), as follows:

(v) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(y) from exceeding seven percent of the price paid for a room in a hotel, except that the tax rate is prohibited from exceeding two percent of the price paid for a room in a hotel if the hotel is located in:

(1) a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes) applicable to the hotel; or

(2) the extraterritorial jurisdiction of a municipality that imposes a tax under Section 351.0025 (Extraterritorial Jurisdiction) applicable to the hotel.

SECTION 3. Effective date: upon passage or September 1, 2019.