

BILL ANALYSIS

Senate Research Center
86R25945 SRA-D

H.B. 1634
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.