BILL ANALYSIS

Senate Research Center
86R10377 SMT-D

H.B. 2272
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Hotel occupancy taxes (HOT) provide an important source of revenue for counties across Texas. Currently, Section 352.003, Tax Code, limits the HOT rate to four percent for counties that have a population of less than 10,000 and do not border Mexico. Jim Hogg County falls under this bracket, preventing it from raising its HOT rate. Unlike other counties of its size and location, Jim Hogg contains an airport, which attracts visitors from across the state who stay overnight in the county's hotels. The current cap prevents Jim Hogg County from gathering valuable revenue that could be reinvested in the community and assist with needed renovations. H.B. 2272 would add a provision exempting Jim Hogg County from adhering to the four percent limit, aligning their tax rate with that of the majority of counties in the state.

H.B. 2272 amends current law relating to the county hotel occupancy tax rate in certain counties.

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 352.003(c), Tax Code, to add an exception to the prohibition on the hotel occupancy tax rate in a county that does not have a municipality exceeding four percent of the price paid for a room in a hotel for a county that borders three counties, each of which borders the United Mexican States, and to make nonsubstantive changes.

SECTION 2. Effective date: upon passage or September 1, 2019.