

BILL ANALYSIS

Senate Research Center

S.B. 696
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Natural Resources & Economic Development
6/8/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many counties across the state levy and collect hotel occupancy taxes to promote tourism and economic development. Currently, Atascosa County is not authorized to do so.

Accordingly, S.B. 696 would authorize the commissioners court of a county with a population of less than 60,000 and which holds an annual strawberry festival in a location other than the county seat to levy and collect a county hotel occupancy tax. What's more, the bill would cap the rate of the tax at two percent of the price paid for a hotel room. This tax would fund the construction, maintenance, repair, and operation of a civic center with an arena used for rodeos, livestock shows, and agricultural expositions.

(Original Author's/Sponsor's Statement of Intent)

S.B. 696 amends current law relating to authorizing certain counties to impose a hotel occupancy tax, the applicability and rates of that tax in certain counties, and the use of revenue from that 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 amending Subsection (d) and adding Subsections (bb) and (dd), as follows:

(d) Deletes existing text providing that the tax authorized by Subsection (a)(4) (relating to authorizing the commissioners courts of a county in which there is located an Indian reservation under the jurisdiction of the United States government to impose a hotel occupancy tax) imposed by certain counties does not apply to a hotel located in a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes) applicable to the hotel.

(bb) Authorizes the commissioners court of a county with a population of less than 60,000 in which an annual strawberry festival is held in a location that is not the county seat of the county to impose a tax as provided by Subsection (a) (relating to authorizing the commissioners courts of certain counties to impose a hotel occupancy tax).

(dd) Authorizes the commissioners court of a county with a population of not more than 40,000 that borders the Red River and includes a wildlife management area to impose a tax as provided by Subsection (a). Provides that a tax imposed under this subsection does not apply to a hotel located in a municipality that imposes a tax under Chapter 351 applicable to the hotel.

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsections (y) and (z), as follows:

(y) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(a)(4) from exceeding two percent of the price paid for a room in a hotel.

(z) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(bb) from exceeding two percent of the price paid for a room in a hotel.

SECTION 3. Amends Subchapter B, Chapter 352, Tax Code, by adding Sections 352.112 and 352.114, as follows:

Sec. 352.112. USE OF REVENUE: CERTAIN COUNTIES HOLDING AN ANNUAL STRAWBERRY FESTIVAL. Authorizes the revenue from a tax imposed under Chapter 352 (County Hotel Occupancy Taxes) by a county authorized to impose the tax under Section 352.002(bb) to be used only for the construction, enlarging, equipping, improvement, maintenance, repairing, and operation of a civic center with an arena used for rodeos, livestock shows, and agricultural expositions to substantially enhance hotel activity and encourage tourism.

Sec. 352.114. USE OF REVENUE: CERTAIN COUNTIES CONTAINING AN INDIAN RESERVATION. (a) Authorizes the revenue from a tax imposed under Chapter 352 by a county authorized to impose the tax under Section 352.002(a)(4), in addition to the purposes authorized by Chapter 352, to be used to make repairs and improvements to the county airport or to provide reimbursement for repairs and improvements to the airport.

(b) Prohibits a county to which this section applies from using revenue from a tax imposed under Chapter 352 for a purpose described by Subsection (a) in a total amount that would exceed the amount of hotel revenue in the county that is likely to be reasonably attributable to guests traveling through the airport during the 15-year period beginning on the date the county first uses the tax revenue for that purpose.

(c) Prohibits a county to which this section applies from using revenue from a tax imposed under Chapter 352 for a purpose described by Subsection (a) after the 10th anniversary of the date the county first uses the revenue for that purpose.

SECTION 4. Effective date: September 1, 2021.