

BILL ANALYSIS

Senate Research Center
88R1194 RDS-F

H.B. 1034
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

State law authorizes certain counties to impose a hotel occupancy tax, revenue from which is primarily for the purpose of promoting tourism and local attractions. Although in 2019 the Texas Legislature authorized all cities to impose this tax, counties still must be individually granted this taxing authority by the legislature.

H.B. 1034 seeks to extend this authority to Wise County while authorizing the county to use revenue from its hotel occupancy tax to support historical preservation and restoration efforts for the Wise County Courthouse and to promote, expand, and maintain the Wise County Fairgrounds.

H.B. 1034 amends the Tax Code to authorize the commissioners court of a county with a population of more than 65,000 that contains a portion of a national grassland to impose a hotel occupancy tax at a rate capped at two percent of the price paid for a hotel room. In addition to the other purposes for which county hotel occupancy tax revenue may be used generally, the revenue from the tax imposed by such a county may also be used for historical preservation and restoration and for certain purposes relating to public improvements, convention registration, and promotion and tourist advertising.

H.B. 1034 amends current law relating to authorizing certain counties to impose a hotel occupancy tax 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 adding Subsection (w), as follows:

(w) Authorizes the commissioners court of a county with a population of more than 65,000 that contains a portion of a national grassland to impose a tax as provided by Subsection (a) (relating to authorizing the commissioners courts of certain counties to impose a tax on a person who pays for the use or possession or for the right to the use or possession of a room that is in a hotel that meets certain criteria).

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

(bb) Prohibits the tax rate in a county authorized to impose the tax under Section 352.002(w) 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 Section 352.115, as follows:

Sec. 352.115. USE OF REVENUE: CERTAIN COUNTIES CONTAINING NATIONAL GRASSLAND. 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(w), in addition to the purposes authorized by this chapter, to be used for:

(1) the purposes described by Section 352.101(a) (relating to providing that the revenue from a tax imposed by a county having a population of more than 3.3 million may be used only certain purposes); and

(2) historical preservation and restoration.

SECTION 4. Effective date: September 1, 2023.