

BILL ANALYSIS

Senate Research Center
88R21354 CJD-D

H.B. 3453
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Local leaders in Fort Bend County committed \$101.7 million to construct a multi-event sports and entertainment venue. They are seeking the passage of legislation authorizing the county to levy a hotel occupancy tax and to use the proceeds from this tax to support and operate the new venue.

H.B. 3453 amends Section 352.002, Tax Code to allow the commissioners courts of counties that have a population of over 800,000 and are adjacent to counties with a population of over 4 million to impose the hotel occupancy tax as provided by Subsection (a).

This tax rate may not exceed 7 percent of the price paid for a hotel room. However, when the hotel is located in a municipality or in the jurisdiction of a municipality that imposes a hotel occupancy tax, the tax rate may not exceed 2 percent. Finally, H.B. 3453 also amends Section 352.115 to authorize the revenue from these taxes to be applied to the construction, maintenance, and operation of a multi-event sports and entertainment venue.

H.B. 3453 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 adding Subsection (ee), as follows:

(ee) Authorizes the commissioners court of a county that has a population of 800,000 or more and is adjacent to a county with a population of four million or more to impose a tax as provided by Subsection (a) (relating to authorizing the commissioners court of certain counties to impose a tax on a person who pays for the use of a room that is a hotel of a certain price point and that is ordinarily used for sleeping).

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(ee) 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. Amends Subchapter B, Chapter 352, Tax Code, by adding Section 352.115, as follows:

Sec. 352.115. USE OF REVENUE: CERTAIN COUNTIES ADJACENT TO POPULOUS COUNTIES. 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(ee), in addition to the purposes authorized by this chapter, to be used to construct, maintain, and operate a multi-event sports and entertainment venue that substantially increases regional sporting events and related economic activity at hotels in the county.

SECTION 4. Effective date: September 1, 2023.