

BILL ANALYSIS

Senate Research Center
88R30527 CJD-D

C.S.H.B. 3453
By: Jetton (Miles)
Natural Resources & Economic Development
5/18/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Fort Bend County is a fast growing county with lots to offer to visitors. In order to promote itself and its amenities to increase tourism, the county is looking to impose a hotel occupancy tax.

H.B 3453 amends Section 352.002 of the 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 four million to impose the hotel occupancy tax as provided by Subsection (a). This tax rate may not exceed seven 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 two percent.

Committee Substitute:

The committee substitute for H.B. 3453 removes the provision that states that the occupancy tax would be used for the operation, maintenance, and upkeep of a multi-event sports and entertainment venue.

C.S.H.B. 3453 amends current law relating to authorizing certain counties to impose a hotel occupancy tax and the applicability and rates of that tax 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 352.002, 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. Effective date: September 1, 2023.