

BILL ANALYSIS

C.S.H.B. 3567
By: Frank
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that local government officials from Wichita County recently inquired about the potential implementation of a hotel occupancy tax in the county with the goal of enhancing the visitor experience, attracting more tourists, and increasing overnight stays. C.S.H.B. 3567 seeks to achieve these goals by authorizing Wichita County to impose a hotel occupancy tax.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3567 amends the Tax Code to authorize the commissioners court of a county that has a population of more than 125,000, borders the Red River, and has a county seat with a population of more than 100,000 to impose a hotel occupancy tax at a rate capped at two percent of the price paid for a hotel room. These provisions expire September 1, 2030.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3567 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute omits an authorization from the introduced for the revenue from a hotel occupancy tax imposed by an applicable county, in addition to the purposes authorized by statutory provisions relating to county hotel occupancy taxes, to be used for the following:

- expenses, including promotion expenses, directly related to a sporting event in which some of the participants are tourists who increase economic activity at hotels and motels within the county;
- construction, improvement, operation, and maintenance of an amphitheater, park, or other similar public space that serves to promote the arts and attract visitors and tourists to the county;

- providing grants to art and cultural organizations in the county that develop and promote events that attract visitors and tourists to the county;
- funding local history museums that attract tourists, including funding the expansion of offerings and exhibits; and
- the hiring of one or more staff to manage the efficient administration of the revenue from the tax, provided that no more than 10 percent of the revenue is used for this purpose.

The substitute also omits a provision from the introduced establishing that this authorization expires on September 1, 2030.