

## **BILL ANALYSIS**

Senate Research Center  
89R8783 JBD-F

S.B. 1553  
By: Flores  
Economic Development  
4/4/2025  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In Texas' beautiful hill country, tourism is a major economic driver that fuels the budgets of our rural communities. However, generating funds that support tourism and drive more people to visit these communities can be a challenging task. Hotel occupancy taxes (HOT tax) allow these communities to levy a seven percent tax on hotel rooms and short-term rental sales within the limits of a municipality or county authorized by the legislature. The revenue generated by a HOT tax may only be used for directly enhancing and promoting tourism and the convention and hotel industries. Revenue may not be used for general revenue purposes.

Specifically, Kerr County is a tourism hub of the Texas hill country, but it lacks the necessary facilities to host major events that drive more tourism to the area. The Hill Country Youth Event Center needs about \$2.5 million in repairs, and without them, the facility would be incapable of hosting even small events.

S.B. 1553 would allow Kerr County to collect a seven percent HOT tax on travelers staying in the county. The additional revenue generated by this tax on non-residents would allow the county to make the necessary repairs to the Hill Country Youth Event Center, and any future development relevant to tourism. The fee would only apply to those staying outside the city limits of Kerrville, where a seven percent HOT tax already exists.

As proposed, S.B. 1553 amends current law relating to the authority of certain counties to impose a hotel occupancy 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 (gg), as follows:

(gg) Authorizes the commissioners court of a county in which the headwaters of the Guadalupe River are located to impose a tax as provided by Subsection (a) (relating to authorizing the commissioners courts of certain counties to impose on a person meeting certain criteria). 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 (Definitions) applicable to the hotel.

SECTION 2. Effective date: upon passage or September 1, 2025.