

BILL ANALYSIS

Senate Research Center

S.B. 1463
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, only the City of Midland imposes a 13 percent hotel tax, of which six percent goes to the state and the remaining seven percent is used for the city's promotion of tourism.

S.B. 1463 authorizes the commissioners court of Midland County to impose a tax of no more than one percent of the price paid for a hotel/motel room in Midland County. The revenue generated from this tax will be used to promote tourism in the area and help cover operating costs of Midland County's multi-purpose facility known as the Horseshoe.

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 (a-1), as follows:

(a-1) Authorizes the commissioners court of a county in which an airport essential to the economy is located, in addition to the counties described in Subsection (a), in a certain manner, to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to use a hotel room that costs two dollars or more each day and is ordinarily used for sleeping. Describes, for purposes of this section, an airport considered to be essential to the economy of a county. Provides that this subsection does not apply to a county described by Subsection (a)(13) (regarding a county that borders the United Mexican States and in which there is located a national recreation area).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (h), to prohibit the tax rate in a county authorized to impose the tax under Section 352.002(a-1) from exceeding one percent of the price paid for the room in the county.

SECTION 3. Amends Section 352.109, Tax Code, by adding Subsection (b-1), to require a county authorized by Section 352.002(a-1) to impose a tax to produce an annual report providing certain information.

SECTION 4. Effective date: upon passage or September 1, 2007.