

BILL ANALYSIS

Senate Research Center
84R31415 ADM-D

C.S.H.B. 3615
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Natural Resources & Economic Development
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The municipal hotel occupancy tax generally is authorized to be collected and used only to promote tourism and the convention and hotel industry, limited to certain specified uses such as construction and operation of convention centers and similar facilities and venues. Among a variety of statutorily authorized purposes for which certain cities may use the tax revenue, there is a provision to allow the tax to be used for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields owned by the city.

The City of San Marcos is in critical need of additional support to maintain their sports facilities and fields that increasingly are being used to host tournaments and other sporting events that bring tourism into the burgeoning Central Texas hub. Authorizing San Marcos to use some of its municipal hotel occupancy tax revenue for this purpose would benefit the local economy and the hotel and tourism industry.

C.S.H.B. 3615 also authorizes Bell County to collect a hotel occupancy tax on room rental revenue from a hotel or motel in the county.

C.S.H.B. 3615 amends current law relating to the use of hotel occupancy tax revenues in certain municipalities and the authority of certain counties to impose a county hotel occupancy tax, and authorizes the imposition of a 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. Reenacts Section 351.101(a), Tax Code, as amended by Chapters 541 (S.B. 551) and 546 (S.B. 585), Acts of the 83rd Legislature, Regular Session, 2013, and amends it, as follows:

(a) Requires that revenue from the municipal hotel occupancy tax be used only to promote tourism and the convention and hotel industry, and limits that use to certain activities as enumerated, including, Subject to Section 351.1076 (Allocation of Revenue: Certain Municipalities), the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields, including facilities or fields for baseball, softball, soccer, flag football, and rodeos if the municipality has a population of at least 40,000 and the San Marcos River flows through the municipality. Makes nonsubstantive changes.

SECTION 2. Amends Section 351.101, Tax Code, by adding Subsection (k), as follows:

(k) Authorizes a municipality that is intersected by both State Highways 71 and 95 to use revenue from the municipal hotel occupancy tax, in addition to other authorized uses, for the promotion of tourism by the enhancement and upgrading of an existing sports facility or fields as specified by Subsections (a)(7) (relating to the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields), provided that the

requirements of Subsections (a)(7)(A) (relating to requirements to upgrading and enhancing tourism) and (C) (relating to requirements to upgrading and enhancing tourism) are met.

SECTION 3. Amends Section 352.002, Tax Code, by adding Subsection (n), to authorize the commissioners court of a county with a population of more than 300,000 and in which there is located all or part of the most populous military installation in this state to impose a tax provided by Subsection (a) (relating to the authorization of commissioners courts to impose taxes on hotel users).

SECTION 4. Amends Section 352.003, Tax Code, by adding Subsection (p), to provide that the county tax rate in relation to a hotel located in a municipality that imposes a tax under Chapter 351, in a county authorized to impose the tax under Section 352.002(n), may not exceed a rate that, when added to the rate of the tax imposed by the municipality under Chapter 351 (Municipal Hotel Occupancy Taxes), exceeds the sum of the rate prescribed by Section 351.003(a) (relating to the imposing of municipal hotel occupancy taxes) plus two percent.

SECTION 5. Provides that, to the extent of any conflict, this Act prevails over another Act of the 84th Legislature, Regular Session, 2015, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 6. Effective date: upon passage or September 1, 2015.