

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 29, 2015

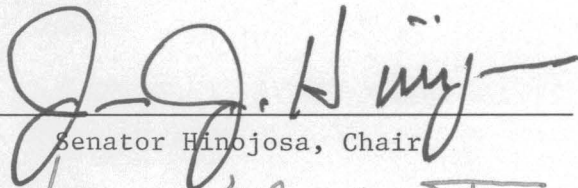
Date

Honorable Dan Patrick
President of the Senate

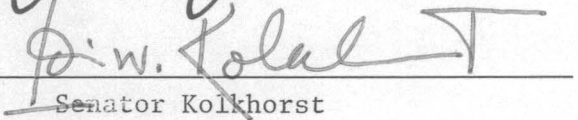
Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

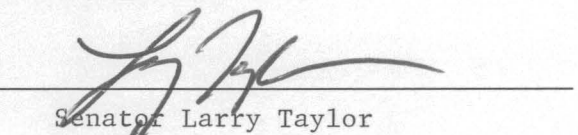
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 1915 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



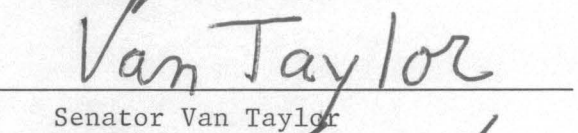
Senator Hinojosa, Chair



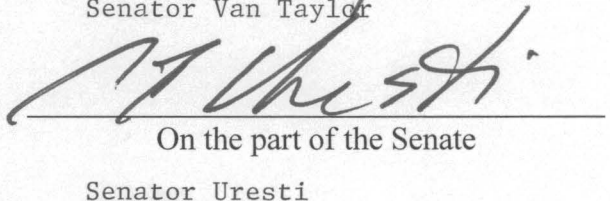
Senator Kolkhorst



Senator Larry Taylor



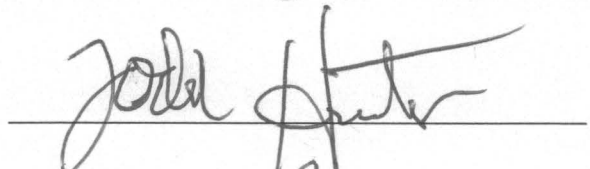
Senator Van Taylor

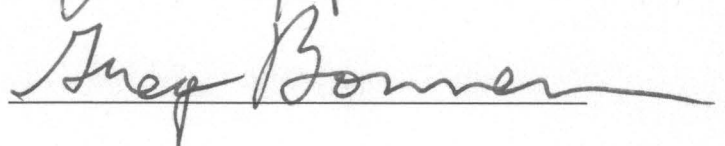


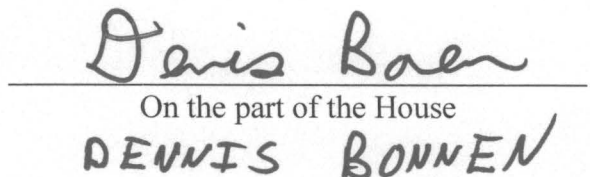
On the part of the Senate
Senator Uresti











On the part of the House
DENNIS BONNEN

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 1915

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the allocation of state hotel occupancy tax revenue to
3 certain barrier island coastal municipalities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 156.2512, Tax Code, is amended by
6 amending Subsections (a), (b), and (c) and adding Subsection (e) to
7 read as follows:

8 (a) Not later than the last day of the month following a
9 calendar quarter and subject to Subsection (d), the comptroller
10 shall:

11 (1) compute the amount of revenue, excluding revenue
12 described by Subsection (e), derived from the collection of taxes
13 imposed under this chapter at a rate of two ~~one~~ percent and
14 received from hotels located ~~on barrier islands~~ in an eligible
15 barrier island coastal municipality; ~~described by Subsection~~
16 ~~(c)(1)(C)(i) or (ii)]~~ and

17 (2) issue to the municipality a warrant drawn on the
18 general revenue fund for that amount ~~, and~~

19 ~~[(2) compute the amount of revenue derived from the~~
20 ~~collection of taxes imposed under this chapter at a rate of two~~
21 ~~percent and received from hotels located on barrier islands in an~~
22 ~~eligible barrier island coastal municipality described by~~
23 ~~Subsection (c)(1)(C)(iii) and issue to the municipality a warrant~~
24 ~~drawn on the general revenue fund for that amount].~~

1 (b) An eligible barrier island coastal municipality may use
2 money received under this section only:

3 (1) to clean and maintain public beaches in that
4 municipality; ~~and~~

5 (2) for an erosion response project in that
6 municipality; and

7 (3) to clean and maintain bay shores owned by that
8 municipality or leased by that municipality from this state.

9 (c) In this section:

10 (1) "Eligible barrier island coastal municipality"
11 means a municipality:

12 (A) that borders on the Gulf of Mexico;

13 (B) that is located wholly or partly on a barrier
14 island; and

15 (C) that ~~[the boundaries of which]~~:

16 (i) includes an institution of higher
17 education that is part of the Texas Coastal Ocean Observation
18 Network under Section 33.065, Natural Resources Code ~~[include a~~
19 ~~portion of a national seashore]~~;

20 (ii) includes ~~[include]~~ a national
21 estuarine research reserve; ~~[or]~~

22 (iii) is located ~~[are]~~ within 30 miles of
23 the United Mexican States; or

24 (iv) has a population of less than 10,000
25 and is located in a county with a population of at least 300,000
26 that is adjacent to a county with a population of at least
27 3,000,000.

1 (2) "Clean and maintain" has the meaning assigned by
2 Section 61.063, Natural Resources Code.

3 (3) "Erosion response project" has the meaning
4 assigned by Section 33.601, Natural Resources Code.

5 (e) This section does not apply to revenue derived from the
6 collection of taxes paid by persons for the use or possession of or
7 for the right to the use or possession of a room or space at a
8 qualified hotel project, the owner of which is entitled to a rebate,
9 refund, or payment of hotel occupancy tax revenue under:

10 (1) Section 2303.5055, Government Code; or

11 (2) Section 151.429(h).

12 SECTION 2. This Act takes effect October 1, 2015.

House Bill 1915
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 156.2512, Tax Code, is amended. Among other provisions, Subsection (c) is amended to read as follows:

(c) In this section:

(1) "Eligible barrier island coastal municipality" means a municipality:

(A) that borders on the Gulf of Mexico;

(B) that is located wholly or partly on a barrier island; and

(C) *the boundaries of which*:

(i) include an institution of higher education that is part of the Texas Coastal Ocean Observation Network under Section 33.065, Natural Resources Code [~~a portion of a national seashore~~];

(ii) include a national estuarine research reserve; or

(iii) *are* within 30 miles of the United Mexican States.

(2) "Clean and maintain" has the meaning assigned by Section 61.063, Natural Resources Code.

(3) "Erosion response project" has the meaning assigned by Section 33.601, Natural Resources Code.

No equivalent provision.

No equivalent provision.

SENATE VERSION (IE)

SECTION 1. Same as House version.

SECTION __. Section 156.2512(a), Tax Code, is amended. [FA1]

SECTION __. Section 156.2512(c)(1), Tax Code, is amended. [FA1]

CONFERENCE

SECTION 1. Same as House version except amends Subsection (c) to read as follows:

(c) In this section:

(1) "Eligible barrier island coastal municipality" means a municipality:

(A) that borders on the Gulf of Mexico;

(B) that is located wholly or partly on a barrier island; and

(C) that [the boundaries of which]:

(i) includes an institution of higher education that is part of the Texas Coastal Ocean Observation Network under Section 33.065, Natural Resources Code [~~include a portion of a national seashore~~];

(ii) includes [~~include~~] a national estuarine research reserve; [~~or~~]

(iii) is located [~~are~~] within 30 miles of the United Mexican States; or

(iv) has a population of less than 10,000 and is located in a county with a population of at least 300,000 that is adjacent to a county with a population of at least 3,000,000.

(2) "Clean and maintain" has the meaning assigned by Section 61.063, Natural Resources Code.

(3) "Erosion response project" has the meaning assigned by Section 33.601, Natural Resources Code.

Same as House version.

Same as House version.

House Bill 1915
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SECTION 2. This Act takes effect October 1, 2015.

SENATE VERSION (IE)

SECTION 2. Same as House version.

CONFERENCE

SECTION 2. Same as House version.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 30, 2015

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
 Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1915 by Herrero (Relating to the allocation of state hotel occupancy tax revenue to certain barrier island coastal municipalities.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1915, Conference Committee Report: a negative impact of (\$8,186,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$3,613,000)
2017	(\$4,573,000)
2018	(\$4,820,000)
2019	(\$5,076,000)
2020	(\$5,345,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>City of Corpus Christi</i>	Probable Revenue Gain/(Loss) from <i>City of Port Aransas</i>	Probable Revenue Gain/(Loss) from <i>City of Quintana</i>
2016	(\$3,613,000)	\$2,874,000	\$593,000	\$2,000
2017	(\$4,573,000)	\$3,652,000	\$753,000	\$2,000
2018	(\$4,820,000)	\$3,850,000	\$794,000	\$2,000
2019	(\$5,076,000)	\$4,054,000	\$836,000	\$2,000
2020	(\$5,345,000)	\$4,269,000	\$880,000	\$2,000

Fiscal Year	Probable Revenue Gain/(Loss) from <i>City of Surfside Beach</i>
2016	\$144,000
2017	\$166,000
2018	\$174,000
2019	\$184,000
2020	\$194,000

Fiscal Analysis

The bill would amend Section 156.2512 of the Tax Code, regarding the allocation of state hotel occupancy revenue to certain barrier island coastal municipalities. The bill would increase the amount of state hotel tax revenue eligible barrier island municipalities based on a tax rate of two percent for all such municipalities, excluding revenue derived from the collection of taxes from a qualified hotel project.

Additionally, the definition of an eligible barrier island coastal municipality would be amended to include a municipality that includes an institution of higher education that is part of the Texas Coastal Ocean Observation Network under Section 33.065 of the Natural Resources Code. That provision would add the city of Corpus Christi as an eligible barrier island municipality, joining Port Aransas and South Padre Island.

The bill would also change the definition of an eligible barrier island coastal municipality to include a municipality that has a population of less than 10,000 and is located in a county with a population of at least 300,000 that is adjacent to a county with a population of at least 3,000,000.

The bill would take effect October 1, 2015.

Methodology

The bill's provisions would add Corpus Christi, Surfside Beach, and Quintanta as eligible barrier island municipalities, and state tax revenue from all hotels located in Corpus Christi, Surfside Beach, and Quintanta would be subject to allocation to the cities based on a tax rate of two percent. The bill's provisions also would increase the current allocation to Port Aransas to be based on a tax rate of two percent rather than one percent. Data on taxable hotel receipts was multiplied by the applicable tax rate, or in the case of Port Aransas the increment to the applicable tax rate, that would be the basis of allocation of state tax revenue to each city to estimate the loss to the General Revenue Fund and the gains to the cities. The fiscal impact was then adjusted for the bill's effective date of October 1, 2015, and extrapolated through 2020.

Local Government Impact

The fiscal impact to local government is illustrated in the table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, AG, SZ

**Certification of Compliance with
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order under Rule 13.

I certify that a copy of the conference committee report on HB 1915 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

Abel Herrero
(name)

5/29/15
(date)