

BILL ANALYSIS

H.B. 1896
By: Bohac
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties suggest that the law relating to the application of and use of revenue from hotel occupancy taxes imposed by municipalities and counties is in need of clarification. H.B. 1896 seeks to provide for that clarification.

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

H.B. 1896 amends the Local Government Code to make the consideration of a facility that is financed wholly or partly with hotel occupancy tax revenue and that is used or planned for use for one or more professional or amateur sports events, community events, other sports events, and other civic or charitable events as a venue for purposes of local funding of certain sports and community venues contingent on the facility not being primarily used for community, civic, and charitable events that are attended only by residents of the community. The bill makes the same consideration of an improvement financed wholly or partly with hotel occupancy tax revenue and related to a convention center or a convention center facility contingent on the improvement being in the vicinity of the convention center.

H.B. 1896 amends the Tax Code to define "meetings," with regard to the consideration of facilities that are primarily used to host conventions and meetings as convention center facilities or a convention center complex for purposes of the imposition of a municipal hotel occupancy tax, as gatherings of people that enhance and promote tourism and the convention and hotel industry. The bill extends the applicability of the exemption from a municipality's or county's increase of the applicable hotel occupancy tax rate for the tax imposed on the use or possession of a room under a contract executed before October 1, 1989, that provides for the payment of the tax at the rate in effect when the contract was executed, barring a certain exception, to the tax imposed on the use or possession, or the right to the use or possession, of a room under a contract that was executed before the date the increased rate takes effect and that provides for the payment of the tax at the rate in effect when the contract was executed, barring the same exception. The bill exempts from a municipality's adopted ordinance or a county commissioners court's adopted order or resolution imposing an applicable hotel occupancy tax that is not imposed at any rate before the effective date of the tax prescribed by the ordinance, order, or resolution the use or possession, or the right to the use or possession, of a room under a contract that provides for the payment of one or more taxes imposed on the use or possession, or the right

to the use or possession, of a hotel room and that is executed before the date the imposition of the tax takes effect, unless the contract is subject to change or modification by reason of the imposition of the new tax. The bill expressly does not impose a municipal or county hotel occupancy tax on the use or possession, or the right to the use or possession, of a room under such a contract.

EFFECTIVE DATE

September 1, 2017.