

SUBJECT: Allowing Corpus Christi to impose and use municipal hotel occupancy tax

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 8 ayes — Hilderbran, Otto, Gonzalez, Lyne, Murphy, Ritter, Villarreal, Woolley

0 nays

3 absent — Christian, Elkins, Martinez Fischer

WITNESSES: For — Joe Adame, Snapper Carr, City of Corpus Christi, Texas;
(*Registered, but did not testify*: Keith Arnold, Corpus Christi CVB;
Shanna Igo, Texas Municipal League)

Against — None

On — Dominique Daruvalla, Comptroller's Office

BACKGROUND: Tax Code, ch. 351 governs municipal hotel occupancy taxes. The tax is collected from persons who, by agreement or permit, pay for the use of a hotel room that costs at least \$2 a day and normally is used for sleeping.

Tax revenue from municipal hotel occupancy taxes is to be used only for the promotion of tourism and the hotel and convention industries and for specific activities, such as the acquisition of sites for the construction, improvement, and maintenance of convention or visitor information centers, or both.

Under sec. 351.001(7), an eligible central municipality is a city with a population of between 140,000 and 1.5 million people, located in a county with a population of 1 million or more that has adopted a capital improvement plan for the expansion of an existing convention center.

DIGEST: HB 1316 would expand the definition of an eligible central municipality for purposes of the municipal hotel occupancy tax to include the city of Corpus Christi, defined as a municipality that:

- had a population of 250,000 or more;
- was located entirely or partly on a barrier island bordering the Gulf of Mexico; and
- was located in a county with a population of 300,000 or more.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

NOTES:

The companion bill, SB 977 by Hinojosa, passed the Senate by 31-0 on the Local and Uncontested Calendar on April 21 and was referred to the House Ways and Means Committee on April 26.