

- SUBJECT:** Annual report by the comptroller on municipal hotel occupancy taxes
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — D. Bonnen, Y. Davis, Bohac, Darby, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- 1 absent — E. Johnson
- SENATE VOTE:** On final passage, April 19 — 30-1 (Nichols), on Local and Uncontested Calendar
- WITNESSES:** *On House companion bill, HB 3280:*
For — Ann Graham, Texans for the Arts; Scott Joslove, Texas Hotel and Lodging Association; (*Registered, but did not testify:* Drew Scheberle, Greater Austin Chamber of Commerce;)

Against — (*Registered, but did not testify:* Guadalupe Cuellar, City of El Paso)
- BACKGROUND:** Tax Code, ch. 351 allows municipalities to collect a tax of up to 7, 8.5, or 9 percent on certain hotel rooms, depending on the municipality. Sec. 351.101 restricts the use of that revenue to promote tourism and the convention and hotel industry, and lays out specific categories of expenditures within those purposes.
- Local Government Code, ch. 334 authorizes, contingent on voter approval, the imposition of an additional 2 percent hotel occupancy tax by a city or county if an approved venue project is or is planned to be located in the jurisdiction. Revenues collected under ch. 334 may be used to acquire, construct, improve, and equip a convention center or related infrastructure.
- DIGEST:** SB 1221 would require cities that impose a hotel occupancy tax under Tax

Code, ch. 351 to submit a report to the comptroller by February 20 each year. The report would contain the tax rate and amount of revenue derived from any municipal hotel occupancy tax.

The report also would be required to contain the amount and percentage of revenue derived from municipal hotel occupancy taxes collected under Tax Code, ch. 351 that is directed to:

- acquisition, construction, maintenance, or improvement of convention center facilities or visitor information centers;
- furnishing of facilities, personnel, and materials for the registration of convention delegates;
- advertising and conducting promotional programs to attract tourists and convention delegates;
- promotion of the arts;
- historical preservation; and
- signage directing the public to sights and attractions.

As soon as is practicable, the comptroller would create the necessary forms, which municipalities would be required to submit by February 20, 2018.

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, 2017.

NOTES:

A companion bill, HB 3280 by Hinojosa, was left pending in the House Ways and Means Committee on April 19.