

SUBJECT: Removing limits on the use of Alpine's hotel occupancy tax revenues

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 9 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy,
Noble, E. Rodriguez, Shaheen

0 nays

2 absent — Sanford, Wray

WITNESSES: For — Justin Bragiel, Texas Hotel and Lodging Association

Against — None

BACKGROUND: Tax Code sec. 351.1035 specifies that the city of Alpine must allocate:

- at least 50 percent of its hotel occupancy tax revenue for advertising and conducting promotional programs to attract tourists and convention delegates or registrants to the city or its vicinity;
- not more than 15 percent of its hotel occupancy tax revenue for the encouragement, promotion, improvement, and application of the arts; and
- not more than 15 percent of its hotel occupancy tax revenue for historical restoration and preservation projects or other programs to encourage tourists and convention delegates to visit certain historic sites or museums.

Some have suggested that Alpine should have more flexibility in how it uses its revenue from hotel occupancy taxes.

DIGEST: HB 4228 would repeal statutory provisions that limit how the city of Alpine may use hotel occupancy tax revenue.

The 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, 2019.