

BILL ANALYSIS

Senate Research Center

S.B. 420
By: Cain
Intergovernmental Relations
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As Filed

DIGEST

Currently, Section 352.002, Tax Code, authorizes certain counties to impose a hotel occupancy tax. If a county is covered under this section, the commissioners court of that county may impose the tax by adoption of an order for resolution. S.B. 420 would amend Section 352.002(a), Tax Code, by adding Wood County in Subsection (12). Section 325.002, Tax Code, restricts the use of these funds for general promotional and tourist advertising of the county and its vicinity.

S.B. 420 would authorize Wood County to collect a 7 percent local hotel occupancy tax. This tax would be designated for the enhancement and promotion of tourism, convention, and hotel industries and is charged on hotel room price only by the following entities: hotel, motel, tourist home or court, lodging or rooming house, and inns for sleeping. The tax would be excluded from the county's general revenue purposes. All tax receipts resulting from this legislation would be used for promoting Wood County to attract tourists. An annual budget for expenditures would be submitted to the commissioners court each year for approval.

PURPOSE

As proposed, S.B. 420 outlines provisions regarding the authority of certain counties to impose a county hotel occupancy tax.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 352.002(a), Tax Code, to authorize, among others, the commissioners court of a county that has a population of 29,000 or more and borders a portion of Lake Fork Reservoir to impose a county hotel occupancy tax.

SECTION 2. Emergency clause.
Effective date: upon passage.