

## **BILL ANALYSIS**

Senate Research Center  
80R10349 MXM-F

H.B. 2322  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, Zapata County is prohibited from imposing a hotel occupancy tax that exceeds four percent. Zapata County is unique among the 254 counties in this state because it is a desirable tourist location even though it lacks an incorporated municipality. Zapata County offers ample and expanding opportunities for seasonal visitors including hunters, fishers, and eco-tourists. Zapata County, therefore, needs authority to levy a seven percent hotel occupancy tax in order to use the increased revenue to fund economic development in the community.

H.B. 2322 exempts a county without a municipality that has a population of 10,000 or more and borders Mexico (Zapata County) from the four percent limit on its hotel occupancy tax, allowing the rate to be up to the statutory seven percent limit.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 352.003(c), Tax Code, to exempt from this subsection (prohibiting the hotel occupancy tax rate in a county that does not have a municipality from exceeding four percent of the price paid for a room in a hotel) a county that has a population of 10,000 or more and borders the United Mexican States.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2007.