

BILL ANALYSIS

Senate Research Center
81R14788 CBH-D

H.B. 4661
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently the City of College Station (College Station) is trying to identify a new revenue stream to dedicate towards the construction of a convention center.

H.B. 4661 allows for a temporary increase of the city hotel occupancy tax for College Station from seven percent to 7.75 percent for the purpose of using the additional revenue to build a convention center.

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 Subchapter A, Chapter 351, Tax Code, by adding Section 351.0035, as follows:

Sec. 351.0035. TAX RATE AND USE IN CERTAIN MUNICIPALITIES. (a) Authorizes the tax imposed by this chapter in a home-rule municipality that was originally chartered in or after 1938, that is home to a major state university, and that is located in a county bordered by the Brazos and Navasota Rivers, to be imposed at any rate not to exceed 7.75 percent of the price paid for a room in a hotel.

(b) Requires the municipality to allocate for the construction of a convention center in the municipality all revenue received by the municipality that is derived from the application of the tax at a rate of more than seven percent of the price paid for a room in a hotel.

(c) Prohibits the municipality from increasing the rate of the tax to a rate above seven percent before the date the municipality executes a contract for the construction of the convention center.

(d) Provides that this section expires on the date the governing body of the municipality certifies that all debt relating to the convention center payable from the tax, including interest and any costs relating to the debt, has been paid in full or a deposit has been made and an escrow agreement in relation to the debt has been executed.

SECTION 2. Effective date: upon passage or September 1, 2009.