

BILL ANALYSIS

Senate Research Center
81R10715 CBH-D

S.B. 1859
By: Jackson, Mike
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Hurricane Ike devastated southeast Harris County and severely damaged many harbors. Nonprofit private yacht clubs are required to submit taxes from boat slip rental fees to the comptroller of public accounts (comptroller) as a part of a membership fee to a private club that provides amusement. However, commercial marinas are not required to collect taxes on boat slips because they are treated as real property. This bill would help private boat clubs damaged by Hurricane Ike to recover more quickly.

As proposed, S.B. 1859 exempts boat slip rental fees from certain taxes imposed by this chapter if the fees are charged by a private club located in a county with a population of more than three million and the marina at which the boat slips are rented sustained at least \$1 million in damage from Hurricane Ike.

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 H, Chapter 151, Tax Code, by adding Section 151.3102, as follows:

Sec. 151.3102. CERTAIN BOAT SLIP RENTAL FEES. Exempts boat slip rental fees, notwithstanding Section 151.3101 (Amusement Services Exempted), from the taxes imposed by this chapter if the fees are charged by a private club located in a county with a population of more than three million and the marina at which the boat slips are rented sustained at least \$1 million in damage from Hurricane Ike.

SECTION 2. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2009, or September 1, 2009.