

BILL ANALYSIS

Senate Research Center
82R7884 ALL-D

S.B. 1185
By: Nichols
Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 352 (County Hotel Occupancy Taxes), Tax Code, authorizes the imposition of a county hotel tax. Currently, Henderson County does not have a hotel tax in place. S.B. 1185 imposes a county-wide hotel and motel tax of two percent to be applied towards operations and maintenance of the Henderson County Regional Fair Park.

The complex has approximately 90,000 visitors per year and is responsible for 50-60 percent of the yearly hotel occupancy within the county (approximately 600 rooms). In 2011, the venue is already booked for 39 weekends. In years past, it has been booked for as many as 51 weekends.

Current funding for the facility is generated through events hosted at the facility and from inconsistent amounts allocated in the county budget. The county-wide hotel and motel tax provides a consistent avenue of funding for the main tourist engine in the county.

As proposed, S.B. 1185 amends current law relating to the authority of certain counties to impose a hotel occupancy tax for the operation and maintenance of a fairground in the county.

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 352.002, Tax Code, by adding Subsection (o), to authorize the commissioners court of a county that has a population of 65,000 or more and that is bordered by the Neches and Trinity Rivers to impose a tax as provided by Subsection (a) (relating to authorizing certain counties to impose a tax relating to the use or possession of a hotel room).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (n), to prohibit the tax rate in a county authorized to impose the tax under Section 352.002(o) from exceeding two percent of the price paid for a room in a hotel.

SECTION 3. Amends Subchapter B, Chapter 352, Tax Code, by adding Section 352.1037, as follows:

Sec. 352.1037. USE OF REVENUE: CERTAIN COUNTIES BORDERING NECHES AND TRINITY RIVERS. Authorizes the revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(o) to be used only to operate and maintain a fairground in the county.

SECTION 4. Effective date: upon passage or September 1, 2011.