

BILL ANALYSIS

Senate Research Center
83R8930 ADM-D

S.B. 1041
By: Zaffirini
Economic Development
3/18/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Bee County is not authorized to levy a hotel/motel occupancy tax. Bee County seeks authorization to levy a hotel/motel occupancy tax at a rate of two percent in incorporated parts of the county and up to seven percent in the unincorporated areas of the county. These rates do not exceed the rate provided by Section 352.003 (Tax Rates) of the Tax Code.

On November 30, 2012, the Bee County Commissioners Court unanimously passed a resolution supporting this legislation. Bee County intends to utilize the funds from this tax for the purpose of maintaining, operating, and improving the Bee County Coliseum as well as for advertising events that would increase tourism.

These purposes are allowed under Section 352.1015 (Use of Revenue: General Provisions), Tax Code. Last year, over 100,000 people visited the Bee County Coliseum for events such as Eagle Ford safety meetings, job fairs, livestock shows, trail rides, and festivals.

As proposed, S.B. 1041 amends current law relating to authorizing certain counties to impose a hotel occupancy tax.

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 (r), to authorize the commissioners court of a county with a population of less than 50,000 through which the Aransas River flows and that has a municipality with a population of more than 10,000 to impose a tax as provided by Subsection (a) (authorizing the commissioners courts of certain counties to impose a tax on the price paid for a room in a hotel in that county).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (s), to prohibit the county tax rate in a county authorized to impose the tax under Section 352.002(r) from exceeding two percent of the price paid for a room in a hotel if the hotel is located in a municipality that imposes a tax under Chapter 351 (Municipal Hotel Occupancy Taxes) applicable to that hotel.

SECTION 3. Amends Subchapter B, Chapter 352, Tax Code, by adding Section 352.1039, as follows:

Sec. 352.1039. USE OF REVENUE: CERTAIN COUNTIES THROUGH WHICH ARANSAS RIVER FLOWS. Authorizes the revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(r) to be used only to:

- (1) operate, maintain, and improve a convention center in the county; and
- (2) advertise and conduct solicitations and promotional programs to attract tourists and convention delegates and registrants to the county.

SECTION 4. Effective date: upon passage or September 1, 2013.