

BILL ANALYSIS

Senate Research Center
84R15747 BEF-F

H.B. 1915
By: Herrero; Hunter (Hinojosa)
Natural Resources & Economic Development
5/17/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to interested parties, certain barrier island coastal municipalities, such as Corpus Christi and Port Aransas, are either not receiving an allocation of state hotel occupancy tax (HOT) revenue or are receiving an allocation in an amount insufficient to fund the purposes for which the revenue is allocated, such as cleaning and maintaining public beaches. H.B. 1915 expands the definition of eligible coastal municipalities to make Corpus Christi and Port Aransas eligible to receive two percent share of the state's HOT funds. H.B. 1915 does not increase the state or local hotel occupancy tax rates.

H.B. 1915 seeks to put these barrier island coastal municipalities on equal standing with other cities along the coast in terms of hotel occupancy tax revenue received from the state, for the purpose of funding beach maintenance, safety upgrades, and erosion management projects, all of which would help increase tourism in the area and boost local economies.

H.B. 1915 amends current law relating to the allocation of state hotel occupancy tax revenue to certain barrier island coastal municipalities.

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 156.2512, Tax Code, by amending Subsections (a), (b), and (c) and adding Subsection (e), as follows:

(a) Requires the comptroller of public accounts of the State of Texas (comptroller), not later than the last day of the month following a calendar quarter and subject to Subsection (d) (prohibiting the comptroller from issuing a warrant to any municipality under this section that exceeds a certain amount), to:

(1) compute the amount of revenue, excluding revenue described by Subsection (e), derived from the collection of taxes imposed under this chapter at a rate of two, rather than one, percent and received from hotels located in an eligible barrier island coastal municipality, rather than on barrier islands in an eligible barrier island coastal municipality described by Subsection (c)(1)(C)(i) or (ii); and

(2) issue to the municipality a warrant drawn on the general revenue fund for that amount.

Deletes existing Subdivision (2) requiring the comptroller, not later than the last day of the month following a calendar quarter and subject to Subsection (d), to compute the amount of revenue derived from the collection of taxes imposed under this chapter at a rate of two percent and received from hotels located on barrier islands in an eligible barrier island coastal municipality described by Subsection (c)(1)(C)(iii) and issue to the municipality a warrant drawn on the general revenue fund for that amount.

(b) Authorizes an eligible barrier island coastal municipality to use money received under this section only to clean and maintain bay shores owned by that municipality or leased by that municipality from this state. Makes nonsubstantive changes.

(c) Provides that, in this section,

(1) "Eligible barrier island coastal municipality" means a municipality:

(A) and (B) Makes no change to these paragraphs;

(C) the boundaries of which:

(i) include an institution of higher education that is part of the Texas Coastal Ocean Observation Network under Section 33.065 (Texas Coastal Ocean Observation Network), Natural Resources Code, rather than include a portion of a national seashore;

(ii) and (iii) Makes no change to these subparagraphs.

(2) and (3) Makes no changes to these subdivisions.

(e) Provides that this section does not apply to revenue derived from the collection of taxes paid by persons for the use or possession of or for the right to the use or possession of a room or space at a qualified hotel project, the owner of which is entitled to a rebate, refund, or payment of hotel occupancy tax revenue under:

(1) Section 2303.5055 (Refund, Rebate, or Repayment of Tax Proceeds to Qualified Hotel Project), Government Code; or

(2) Section 151.429(h) (providing that this subsection does not apply to a certain qualified hotel project).

SECTION 2. Effective date: October 1, 2015.