

## **BILL ANALYSIS**

Senate Research Center  
87R5205 RDS-D

S.B. 696  
By: Zaffirini; Gutierrez  
Natural Resources & Economic Development  
4/20/2021  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Many counties across the state levy and collect hotel occupancy taxes to promote tourism and economic development. Currently, Atascosa County is not authorized to do so.

Accordingly, S.B. 696 would authorize the commissioners court of a county with a population of less than 60,000 and which holds an annual strawberry festival in a location other than the county seat to levy and collect a county hotel occupancy tax. What's more, the bill would cap the rate of the tax at two percent of the price paid for a hotel room. This tax would fund the construction, maintenance, repair, and operation of a civic center with an arena used for rodeos, livestock shows, and agricultural expositions.

As proposed, S.B. 696 amends current law relating to authorizing certain counties to impose a hotel occupancy tax and the use of revenue from that 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 (bb), to authorize the commissioners court of a county with a population of less than 60,000 in which an annual strawberry festival is held in a location that is not the county seat of the county to impose a tax as provided by Subsection (a) (relating to authorizing the commissioners courts of certain counties to impose a tax on a person who pays for the use or possession of certain hotel rooms under certain kinds of agreements).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (z), to prohibit the tax rate in a county authorized to impose the tax under Section 352.002(bb) 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 352.112, as follows:

Sec. 352.112. USE OF REVENUE: CERTAIN COUNTIES HOLDING AN ANNUAL STRAWBERRY FESTIVAL. Authorizes the revenue from a tax imposed under Chapter 352 (County Hotel Occupancy Taxes) by a county authorized to impose the tax under Section 352.002(bb) to be used only for the construction, enlarging, equipping, improvement, maintenance, repairing, and operation of a civic center with an arena used for rodeos, livestock shows, and agricultural expositions to substantially enhance hotel activity and encourage tourism.

SECTION 4. Effective date: September 1, 2021.