

## **BILL ANALYSIS**

Senate Research Center  
84R30727 GRM-D

C.S.H.B. 2019  
By: Craddick (Seliger)  
Natural Resources & Economic Development  
5/20/2015  
Committee Report (Substituted)

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

Across the state numerous county commissioner courts, including Midland County, have been authorized to collect a hotel occupancy tax on room rental revenue from a hotel or motel in the county. Midland County's population has changed, causing the county to become ineligible for their previously authorized collection of the hotel occupancy tax. C.S.H.B. 2019 fixes the population bracket, increasing the population size from 125,000 to 150,000.

C.S.H.B. 2019 also authorizes Bell County to collect a hotel occupancy tax on room rental revenue from a hotel or motel in the county.

C.S.H.B. 2019 amends current law relating to the authority of 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 amending Subsection (a-1) and adding Subsection (n), as follows:

(a-1) Authorizes the commissioners court of a county in which an airport essential to the economy of the county is located, in addition to the counties described by Subsection (a) (authorizing the commissioners court of certain counties as set forth to impose a certain tax by the adoption of an order or resolution), to by the adoption of an order or resolution impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs \$2 or more each day, and is ordinarily used for sleeping. Provides that, for the purposes of this subsection, an airport is considered to be essential to the economy of a county only if the airport is a commercial-service international airport within Class C airspace and is located in a county and owned by a municipality each having a population of less than 150,000, rather than a population of less than 125,000.

(n) Authorizes the commissioners court of a county with a population of more than 300,000 and in which there is located all or part of the most populous military installation in this state to impose a tax as provided by Subsection (a).

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (p), as follows:

(p) Prohibits the county tax rate in relation to a hotel located in a municipality that imposes a tax under Chapter 351(Municipal Hotel Occupancy Taxes), in a county authorized to impose the tax under Section 352.002(n), from exceeding a rate that, when added to the rate of the tax imposed by the municipality under Chapter 351, exceeds the sum of the rate prescribed by Section 351.003(a) (authorizing a certain tax to be imposed

at any rate not to exceed seven percent of the price paid for a room in a hotel) plus two percent.

SECTION 3. Effective date: upon passage or September 1, 2015.