

## **BILL ANALYSIS**

H.B. 1292  
By: Brown, Betty  
Local Government Ways and Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Chapter 351 of the Tax Code addresses the collection and use of municipal hotel occupancy taxes. The governing body of a municipality is responsible for the proper use of the revenue, which is to be used only for certain purposes. The management or supervision of programs and activities funded with this revenue may be delegated by the governing body of the municipality to a person, including another governmental entity or private organization. The governing body of the municipality is required to approve in advance the annual budget of the person to which it delegates those functions and shall require the person to make periodic reports listing the expenditures made with the revenue.

In some cities, the revenue is divided among several entities to be spent for certain purposes and the governing body of the municipality is not approving the annual budget for each of these parties. HB 1292 amends existing statute to allow the governing body of a municipality to delegate the management and supervision of municipal hotel occupancy taxes to one or more persons and requires the governing body to approve in advance the budget of each person to which it delegates that function.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

#### **SECTION 1.**

Amends Section 351.101(c), Tax Code as follows: authorizes the governing body of a municipality to delegate the management or supervision of programs and activities funded with revenue from municipal hotel occupancy taxes to one or more persons.

#### **SECTION 2.**

Specifies the effective date as immediately or September 1, 2003. Applies only to a contract entered into on or after the effective date of the Act.

### **EFFECTIVE DATE**

Immediately, if it receives an affirmative vote of two-thirds of the members of each house. Otherwise, September 1, 2003.