

BILL ANALYSIS

H.B. 1459
By: Eiland
Local Government Ways and Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Coastal home-rule cities of less than 80,000 (defined as an "Eligible Coastal Municipality" in the Tax Code) have been granted a hotel occupancy tax rebate of a portion of the hotel occupancy taxes collected by the State in the Eligible Coastal Municipality to be used for beach cleaning and maintenance. H.B. 1459 will authorize the same rebate to a general law municipality of less than 5,000 that is adjacent to such a municipality.

The purposes for which hotel occupancy taxes can be used are restricted by Chapter 351 of the Tax Code. With these limitations small municipalities are not able to find enough places to use their hotel occupancy taxes efficiently. H.B. 1459 will broaden the purposes for which hotel occupancy taxes can be used.

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 the definition of an Eligible Coastal Municipality to include a general law municipality of less than 5,000 adjacent to home-rule municipality that borders the Gulf of Mexico and has a population of less than 80,000.

SECTION 2

Adds a definition of Beach Security to Section 351.1055, Tax Code, and permits the use of all or any part of the hotel occupancy taxes collected by an Eligible Coastal Municipality of less 5,000 population for: (i) cleaning and maintaining beaches, (ii) providing beach security, (iii) providing and maintaining improvements permitted by parks and similar types of improvements and facilities to serve such improvements, (iv) for purposes authorized by 351.105, Tax Code, or (v) to pay for the principal and interest on bonds or notes.

SECTION 3

Amends Section 351.003, Tax Code, to grant to an Eligible Coastal Municipality of 5,000 or less the power to levy a hotel occupancy tax at the same 9% rate as a municipality of 250,000 or more that borders the Gulf of Mexico.

EFFECTIVE DATE

September 1, 2003.