

BILL ANALYSIS

C.S.H.B. 2718
By: Smith, Wayne
Local Government Ways and Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Shipping traffic and natural occurrences cause many Texas beaches to recede, thus placing a burden on local tourist attractions and the economic development of coastal municipalities. CSHB 2718 would allow home rule municipalities adjacent to a bay, with a population less than 80,000, to allocate revenues for items that are currently allowable for eligible coastal communities. Eligible items could include the payment of bonds that the municipality or park board of trustees may issue under Section 1504.002 (a), Government Code, or under Chapter 306, Local Government Code, the maintenance, improvement or operation of the parks and other facilities that are considered to attract visitors and tourists to the municipality, the cleaning and maintenance of adjacent public lands, or to mitigate coastal erosion on adjacent public lands.

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 Subchapter B, Chapter 351, Tax Code, by adding Section 351.104 to allow home rule municipalities adjacent to a bay, with a population less than 80,000, to allocate revenues for items that are currently allowable for eligible coastal communities.

SECTION 2.

Sets effective date.

EFFECTIVE DATE

This Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Deletes all references to "estuaries" to ensure that the bill is not overly broad and takes in every river bed or other areas that may be considered estuaries;

Adds in a clarifying sentence that this authority does not apply to eligible coastal municipalities that already have an alternate funding formula for use of their local hotel occupancy tax;

Deletes all references to "public beaches" and replaces them with the term "adjacent public lands" to more accurately define the beach areas that are adjacent to bays;

Increases the maximum that can be spent on coastal erosion and beach maintenance from one percent to ten percent of the local hotel occupancy taxes that are collected;

Requires that a municipality that uses its local hotel occupancy tax for this purpose may not reduce the amount that it spends on advertising and promoting the city as a tourism destination. The benchmark for

how much the city had spent in the past on advertising and promotion would be the average amount spent for this purpose over the three years that immediately precede the decision to use the hotel occupancy tax for the purposes under this bill.