

## **BILL ANALYSIS**

Senate Research Center

S.B. 1784  
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Intergovernmental Relations  
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Enrolled

### **DIGEST AND PURPOSE**

S.B. 1784 provides a hotel occupancy tax for South Padre Island to provide relief projects, including a traffic control system, to handle its fluctuating yearly tourist population.

### **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 351.003, Tax Code, by adding Subsection (d), as follows:

(d) Authorizes a general-law municipality that borders on the Gulf of Mexico and has a boundary that is within 30 miles of Mexico to by ordinance increase the rate of the tax under Subsection (a) to a maximum rate of 7.5 percent if the increase is approved by a majority of the registered voters of the municipality voting at an election held for that purpose.

SECTION 2. Amends Subchapter B, Chapter 351, Tax Code, by adding Section 351.1075, as follows:

Sec. 351.1075. ALLOCATION OF REVENUE: CERTAIN GENERAL-LAW COASTAL MUNICIPALITIES. (a) Authorizes a general-law municipality that borders on the Gulf of Mexico and has a boundary that is within 30 miles of Mexico to use revenue derived from a rate increase under Section 351.003(d), including any interest earned on that revenue, only for beautifying, and improving the access to and safety of, the portion of State Highway 100 known as Padre Boulevard.

(b) Prohibits the amount of revenue that a municipality uses for a purpose described by Subsection (a) from exceeding the amount the municipality spends for the same purpose from a source other than a tax imposed under this chapter.

SECTION 3. Repealer: Section 351.003(d) and Section 351.1075, Tax Code, effective January 1, 2006.

SECTION 4. Effective date: upon passage or September 1, 2003.