

BILL ANALYSIS

C.S.S.B. 1784

By: Lucio

Local Government Ways and Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.S.B. 1784 provides a hotel occupancy tax for South Padre Island to beautify, improve the access to and safety of, the portion of State Highway 100 known as Padre Boulevard.

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 351.003, Tax Code, by adding Subsection (d) which allows a general-law municipality that borders on the Gulf of Mexico and has a boundary that is within 30 miles of Mexico to increase, if approved by a majority of registered voters, the rate of tax under Subsection (a) to a maximum rate of 7.5 percent.

SECTION 2. Amends Subchapter B, Chapter 351, Tax Code, by adding Sections 351.1075 which allows 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 interest, only for beautifying, and improving access to and safety of the portion of State Highway 100 known as Padre Boulevard. Additionally, the revenue a municipality uses may not exceed the amount the municipality spends for the same purpose from a source other than a tax imposed under this chapter.

SECTION 3. Effective January 1, 2006, Section 351.003(d) and 351.1075, Tax Code, as added by this Act, are repealed.

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

EFFECTIVE DATE

Upon passage or September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.S.B. 1784 changes the authorized tax increase that cannot be exceeded from 8% to 7.5 %.

The substitute provides a sunset provision on the tax. Sections 351.003(d) and 351.1075, Tax Code, are repealed effective January 1, 2006.

The bill now states that matching funds from other city funds must be provided for projects in which money authorized by this bill are undertaken.

The substitute changes the description of projects to be undertaken in the municipality and funded by the additional funds provided via this legislation.