

By: Brown of Kaufman

H.B. No. 1292

A BILL TO BE ENTITLED

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AN ACT

relating to oversight of persons to whom a municipality delegates management and supervision of programs funded by municipal hotel occupancy taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 351.101(c), Tax Code, is amended to read as follows:

(c) The governing body of a municipality by contract may delegate to one or more persons [~~a person~~], including another governmental entity or a private organization, the management or supervision of programs and activities funded with revenue from the tax authorized by this chapter. The governing body in writing shall approve in advance the annual budget of each [~~the~~] person to which it delegates those functions and shall require that [~~the~~] person to make periodic reports to the governing body at least quarterly listing the expenditures made by that [~~the~~] person with revenue from the tax authorized by this chapter. Each [~~The~~] person must maintain revenue provided from the tax authorized by this chapter in a separate account established for that purpose and may not commingle that revenue with any other money. The municipality may not delegate to any person the management or supervision of its convention and visitors programs and activities funded with revenue from the tax authorized by this chapter other than by contract as provided by this subsection. The approval by the governing body of

1 the municipality of the annual budget of a [~~the~~] person to whom the  
2 governing body delegates those functions creates a fiduciary duty  
3 in the person with respect to the revenue provided by the tax  
4 authorized by this chapter.

5 SECTION 2. (a) This Act takes effect immediately if it  
6 receives a vote of two-thirds of all the members elected to each  
7 house, as provided by Section 39, Article III, Texas Constitution.  
8 If this Act does not receive the vote necessary for immediate  
9 effect, this Act takes effect September 1, 2003.

10 (b) This Act applies only to a contract entered into on or  
11 after the effective date of this Act. A contract entered into  
12 before the effective date of this Act is governed by the law in  
13 effect on the date the contract was entered into, and that law is  
14 continued in effect for that purpose.