

By: Brown of Kaufman

H.B. No. 1292

A BILL TO BE ENTITLED

AN ACT

1
2 relating to oversight of persons to whom a municipality delegates
3 management and supervision of programs funded by municipal hotel
4 occupancy taxes.

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

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

8 (c) The governing body of a municipality by contract may
9 delegate to one or more persons [~~a person~~], including another
10 governmental entity or a private organization, the management or
11 supervision of programs and activities funded with revenue from the
12 tax authorized by this chapter. The governing body in writing shall
13 approve in advance the annual budget of each [~~the~~] person to which
14 it delegates those functions and shall require that [~~the~~] person to
15 make periodic reports to the governing body at least quarterly
16 listing the expenditures made by that [~~the~~] person with revenue
17 from the tax authorized by this chapter. Each [~~The~~] person must
18 maintain revenue provided from the tax authorized by this chapter
19 in a separate account established for that purpose and may not
20 commingle that revenue with any other money. The municipality may
21 not delegate to any person the management or supervision of its
22 convention and visitors programs and activities funded with revenue
23 from the tax authorized by this chapter other than by contract as
24 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.