

AN ACT

relating to hotel taxes in certain municipalities with a population of less than 5,000.

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

SECTION 1. Section 351.1055, Tax Code, is amended to read as follows:

Sec. 351.1055. ALLOCATION OF REVENUE: CERTAIN [~~HOME-RULE~~] MUNICIPALITIES. (a) In this section:

(1) "Clean and maintain" has the meaning assigned by Section 61.063, Natural Resources Code.

(2) "Public beach" has the meaning assigned by Section 61.001, Natural Resources Code.

(3) "Beach security" means beach patrol, lifeguard services, marine water safety, and park law enforcement.

(b) Notwithstanding any other provision of this chapter, a home-rule municipality that borders on the Gulf of Mexico and has a population of more than 250,000 may use all or any portion of the revenue derived from the municipal hotel occupancy tax from hotels previously subject to a county hotel occupancy tax to clean and maintain public beaches in the municipality.

(c) Notwithstanding any other provision of this chapter, a municipality that has a population of less than 5,000 adjacent to a home-rule city with a population of less than 80,000 may use all or any portion of the revenue heretofore or hereafter derived from the

1 municipal hotel tax:

2 (1) to clean and maintain the beaches in the
3 municipality;

4 (2) to provide beach security within the municipality;

5 (3) for any of the purposes permitted or allowed by
6 Section 1504.001, Government Code;

7 (4) for any purpose allowed by Section 351.105; or

8 (5) to pay the principal of or interest on bonds or
9 notes issued for any of these purposes.

10 SECTION 2. Section 351.003(c), Tax Code, is amended to read
11 as follows:

12 (c) The rate in a municipality that borders on the Gulf of
13 Mexico and has a population of more than 250,000 or in a
14 municipality with a population of less than 5,000 adjacent to a
15 home-rule city with a population of less than 80,000 may not exceed
16 nine percent of the price paid for a room.

17 SECTION 3. This Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I certify that H.B. No. 1459 was passed by the House on April 25, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1459 on May 26, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1459 was passed by the Senate, with amendments, on May 24, 2003, by a viva-voce vote.

Secretary of the Senate

APPROVED: _____

Date

Governor