

By: Eiland

H.B. No. 1459

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to hotel taxes in coastal municipalities with a population  
3 of 5000 or less.

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

5 SECTION 1. Amend the definition of eligible coastal  
6 municipality in Section 351.001(3), Tax Code, to read as follows:

7 (3) "Eligible Coastal Municipality" means a home-rule  
8 municipality that borders on the Gulf of Mexico and has a population  
9 of less than 80,000 or an adjacent municipality of less than 5000  
10 population."

11 SECTION 2. Amend Section 351.1005, Tax Code, to read as  
12 follows:

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

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

17 (2) "Public Beach" has the meaning assigned by Section  
18 61.001, Natural Resources Code.

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

21 (b) Notwithstanding any other provision of this chapter, a  
22 home-rule municipality that borders on the Gulf of Mexico and has a  
23 population of more than 250,000 may use all or any portion of the  
24 revenue derived from the municipal hotel occupancy tax from hotels

1 previously subject to a county hotel occupancy tax to clean and  
2 maintain public beaches in the municipality.

3 (c) Notwithstanding any other provision of this chapter, an  
4 eligible coastal municipality that has a population of less than  
5 5000 population may use all or any portion of the revenue heretofore  
6 or hereafter derived from the municipal hotel tax to (i) clean and  
7 maintain the beaches in the municipality, (ii) provide beach  
8 security within the municipality, (iii) for any of the purposes  
9 permitted allowed by Article 1269j4.1 Revised Statutes of Texas,  
10 (iv) for any purpose allowed by Section 351.105 Tax Code, or (v) to  
11 pay the principal or interest on bonds or notes issued for any of  
12 these purposes.

13 SECTION 3. Amend Section 351.003, Tax Code, to read as  
14 follows:

15 Sec. 351.003. TAX RATES. (a) Except as provided by this  
16 section, the tax rate authorized by this chapter may be imposed at  
17 any rate not to exceed seven percent of the price paid for a room in  
18 a hotel.

19 (b) The rate in an eligible central municipality may not  
20 exceed nine percent of the price paid for a room. This subsection  
21 does not apply to a municipality to which Section 351.106 applies.

22 (c) The rate in a municipality that borders on the Gulf of  
23 Mexico and has a population of more than 250,000 or in an eligible  
24 coastal municipality with a population of less than 5000 may not  
25 exceed nine percent of the price paid for a room.

26 SECTION 4. This Act shall take effect September 1, 2003.