

1-1 By: Smith of Harris (Senate Sponsor - Jackson) H.B. No. 2718
1-2 (In the Senate - Received from the House May 12, 2003;
1-3 May 13, 2003, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 24, 2003, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 3,
1-6 Nays 0; May 24, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2718 By: Gallegos

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the allocation and use of municipal hotel occupancy
1-11 taxes in certain municipalities bordering bays.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended
1-14 by adding Section 351.104 to read as follows:

1-15 Sec. 351.104. ALLOCATION OF REVENUE: CERTAIN
1-16 MUNICIPALITIES BORDERING BAYS. (a) This section applies only to a
1-17 home-rule municipality that borders a bay, that has a population of
1-18 less than 80,000, and that is not an eligible coastal municipality.

1-19 (b) In this section:

1-20 (1) "Adjacent public land" means land that:

1-21 (A) is owned by this state or a local
1-22 governmental entity; and

1-23 (B) is located adjacent to a bay that is bordered
1-24 by a municipality to which this section applies.

1-25 (2) "Clean and maintain" means the collection and
1-26 removal of litter and debris and the supervision and elimination of
1-27 sanitary and safety conditions that would pose a threat to personal
1-28 health or safety if not removed or otherwise corrected.

1-29 (c) Notwithstanding any other provision of this chapter and
1-30 subject to Subsections (d) and (e), a municipality to which this
1-31 section applies may use not more than 10 percent of the revenue
1-32 derived from the tax imposed under this chapter:

1-33 (1) for a purpose described by Section 351.105(a)(1)
1-34 or (2);

1-35 (2) to clean and maintain adjacent public land; or

1-36 (3) to mitigate coastal erosion on adjacent public
1-37 land.

1-38 (d) A municipality to which this section applies may not
1-39 reduce the amount of revenue that it uses for a purpose described by
1-40 Section 351.101(a)(3) to an amount that is less than the average
1-41 amount of revenue used by the municipality for that purpose during
1-42 the 36-month period that precedes the municipality's use of revenue
1-43 under Subsection (c).

1-44 (e) A municipality that uses revenue from the tax imposed
1-45 under this chapter for a purpose provided by this section must spend
1-46 the same amount of revenue for the same purpose from a source other
1-47 than that tax.

1-48 SECTION 2. This Act takes effect September 1, 2003.

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