

By: Rangel

H.B. No. 3372

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to eligible general-law coastal municipalities imposition  
3 of an additional Hotel Occupancy Tax.

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

5 SECTION 1. Section 351.001, Tax Code, is amended by adding a  
6 new definition to Section 351.001 to read as follows:

7 (1) "Municipality" includes any incorporated city,  
8 town, or village.

9 (2) "Convention center facilities" or "convention  
10 center complex" means facilities that are primarily used to host  
11 conventions and meetings. The term means civic centers, civic  
12 center buildings, auditoriums, exhibition halls, and coliseums  
13 that are owned by the municipality or other governmental entity or  
14 that are managed in whole or part by the municipality. In a  
15 municipality with a population of 1.5 million or more, "convention  
16 center facilities" or "convention center complex" means civic  
17 centers, civic center buildings, auditoriums, exhibition halls,  
18 and coliseums that are owned by the municipality or other  
19 governmental entity or that are owned by the municipality or other  
20 governmental entity or that are managed in part by the  
21 municipality, hotels owned by the municipality or a nonprofit  
22 municipally sponsored local government corporation created under  
23 Chapter 431, Transportation Code, within 1,000 feet of a convention  
24 center owned by the municipality, or a historic hotel owned by the

1 municipality or a nonprofit municipally sponsored local government  
2 corporation created under Chapter 431, Transportation Code, within  
3 one mile of a convention center owned by the municipality. The term  
4 includes parking areas or facilities that are for the parking or  
5 storage of conveyances and that are located at or in the vicinity of  
6 other convention center facilities. The term also includes a hotel  
7 owned by or located on land that is owned by an eligible central  
8 municipality or by a nonprofit corporation acting on behalf of an  
9 eligible central municipality and that is located within 1,000 feet  
10 of a convention center facility owned by the municipality.

11 (3) "Eligible coastal municipality" means a home-rule  
12 municipality that borders on the Gulf of Mexico and has a population  
13 of less than 80,000.

14 (4) "Hotel" has the meaning assigned by Section  
15 156.001.

16 (5) "Tourism" means the guidance or management of  
17 tourists.

18 (6) "Tourist" means an individual who travels from the  
19 individual's residence to a different municipality, county, state,  
20 or country for pleasure, recreation, education, or culture.

21 (7) "Eligible central municipality" means a  
22 municipality with a population of more than 440,000 but less than  
23 1.5 million that is located in a county with a population of one  
24 million or more and that is located in a country with a population  
25 of one million or more and that has adopted a capital improvement  
26 plan for the expansion of an existing convention center facility.

27 (8) "Visitor information center" or "tourism

1 information center" means a building or a portion of a building used  
2 to distribute or disseminate information to tourists.

3 (9) "Revenue" includes any interest derived from the  
4 revenue.

5 (10) "Revenue" includes any interest derived from the  
6 revenue.

7 (11) "Eligible general-law coastal municipality"  
8 means a general-law municipality:

9 (a) that has a population of less than 5,000

10 (b) that borders on the Gulf of Mexico

11 (c) the boundaries of which are within 30 miles  
12 of the United Mexican States.

13 Section 2. Section, Chapter 351, Tax Code, is amended by  
14 adding a new subsection to Section 351.003 to read as follows:

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

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

21 (c) The rate in a municipality that borders on the Gulf of  
22 Mexico and has a population of more than 250,000 may not exceed nine  
23 percent of the price paid for a room.

24 (d) The rate of an eligible general-law coastal  
25 municipality may not exceed eight percent of the price paid for a  
26 room in a hotel.

27 Section 3. Section 351, Tax Code, is amended by adding

1 Section 351.1075 to read as follows:

2 Section 351.1075. Allocation of Revenue. Eligible  
3 General-Law Coastal Municipalities.

4 (a) An eligible General-Law Coastal Municipality shall use  
5 the amount of revenue from the tax that is derived from the  
6 application of the rate at a rate of more than seven percent of the  
7 cost of the room only for:

8 (1) The maintenance, improvement, or operation of  
9 parks, trolley, or trolley transportation system, or other  
10 facilities, as may be considered advisable in connection with these  
11 facilities that serve the purpose attracting visitors and tourists  
12 to the municipality; and

13 (2) The maintenance, improvement or operation of a  
14 beautification plan of the town's facilities that serves the  
15 purpose of attracting visitors and tourists to the municipality

16 (3) Enhancing and providing for public beach access  
17 and other facilities, including restrooms and other  
18 infrastructures that serve the purpose of attracting visitors and  
19 tourists to the municipality.

20 (b) Any interest income derived from the application of the  
21 tax at the rate of more than seven percent of the cost of the room  
22 may be used only for purposes in this section.

23 Section 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2003.