

By: Lucio

S.B. No. 1784

A BILL TO BE ENTITLED

AN ACT

relating to the imposition of a hotel occupancy tax in eligible general-law coastal municipalities.

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

SECTION 1. Section 351.001, Tax Code, is amended by adding Subdivision (11) to read as follows:

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

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

(B) that borders on the Gulf of Mexico; and

(C) the boundaries of which are within 30 miles of the United Mexican States.

SECTION 2. Subchapter A, Chapter 351, Tax Code, is amended by adding Sections 351.0021 and 351.0022 to read as follows:

Sec. 351.0021. TAX AUTHORIZED IN ELIGIBLE GENERAL-LAW COASTAL MUNICIPALITY. An eligible general-law coastal municipality may adopt the hotel occupancy tax authorized under Section 351.002 at an election held in the municipality.

Sec. 351.0022. ELECTION PROCEDURE. An election to adopt the tax authorized under Section 351.002 in an eligible general-law coastal municipality is called by the adoption of an ordinance by the governing body of the municipality.

SECTION 3. Section 351.003, Tax Code, is amended by adding Subsection (d) to read as follows:

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

4        SECTION 4. Subchapter B, Chapter 351, Tax Code, is amended  
5 by adding Section 351.1075 to read as follows:

6        Sec. 351.1075. ALLOCATION OF REVENUE: ELIGIBLE GENERAL-LAW  
7 COASTAL MUNICIPALITIES. (a) An eligible general-law coastal  
8 municipality shall use the amount of revenue from the tax that is  
9 derived from the application of the tax at a rate of more than seven  
10 percent of the cost of the room only for:

11        (1) the maintenance, improvement, or operation of  
12 parks, a trolley or trolley transportation system, or other  
13 facilities as may be considered advisable in connection with such  
14 facilities that serve the purpose of attracting visitors and  
15 tourists to the municipality;

16        (2) the maintenance, improvement, or operation of a  
17 beautification plan for the town's facilities that serves the  
18 purpose of attracting visitors and tourists to the municipality;  
19 and

20        (3) enhancing and providing for public beach access  
21 and other facilities, including restrooms and other  
22 infrastructures that serve the purpose of attracting visitors and  
23 tourists to the municipality.

24        (b) Any interest income derived from the application of the  
25 tax at the rate of more than seven percent of the cost of the room  
26 may be used only for the purposes provided by this section.

27        SECTION 5. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2003.