

AN ACT

relating to the imposition and allocation of municipal hotel occupancy taxes in certain general-law coastal municipalities.

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

SECTION 1. Section 351.003, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) A general-law municipality that borders on the Gulf of Mexico and has a boundary that is within 30 miles of Mexico may by ordinance increase the rate of the tax under Subsection (a) to a maximum rate of 7.5 percent if the increase is approved by a majority of the registered voters of the municipality voting at an election held for that purpose.

SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1075 to read as follows:

Sec. 351.1075. ALLOCATION OF REVENUE: CERTAIN GENERAL-LAW COASTAL MUNICIPALITIES. (a) A general-law municipality that borders on the Gulf of Mexico and has a boundary that is within 30 miles of Mexico may use revenue derived from a rate increase under Section 351.003(d), including any interest earned on that revenue, only for beautifying, and improving the access to and safety of, the portion of State Highway 100 known as Padre Boulevard.

(b) The amount of revenue that a municipality uses for a purpose described by Subsection (a) may not exceed the amount the municipality spends for the same purpose from a source other than a

1 tax imposed under this chapter.

2 SECTION 3. Effective January 1, 2006, Subsection (d),
3 Section 351.003 and Section 351.1075, Tax Code, as added by this
4 Act, are repealed.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1784 passed the Senate on May 1, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 31, 2003, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1784 passed the House, with amendment, on May 28, 2003, by the following vote: Yeas 144, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor