By: Lucio   S.B. No. 1784

Substitute the following for S.B. No. 1784:

By: McReynolds   C.S.S.B. No. 1784

A BILL TO BE ENTITLED

1   AN ACT

2 relating to the imposition and allocation of municipal hotel

3 occupancy taxes in certain general-law coastal municipalities.

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

5   SECTION 1. Section 351.003, Tax Code, is amended by adding

6 Subsection (d) to read as follows:

7   (d) A general-law municipality that borders on the Gulf of

8 Mexico and has a boundary that is within 30 miles of Mexico may by

9 ordinance increase the rate of the tax under Subsection (a) to a

10 maximum rate of 7.5 percent if the increase is approved by a

11 majority of the registered voters of the municipality voting at an

12 election held for that purpose.

13   SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended

14 by adding Section 351.1075 to read as follows:

15   Sec. 351.1075. ALLOCATION OF REVENUE: CERTAIN GENERAL-LAW

16 COASTAL MUNICIPALITIES.   (a)   A general-law municipality that

17 borders on the Gulf of Mexico and has a boundary that is within 30

18 miles of Mexico may use revenue derived from a rate increase under

19 Section 351.003(d), including any interest earned on that revenue,

20 only for beautifying, and improving the access to and safety of, the

21 portion of State Highway 100 known as Padre Boulevard.

22   (b) The amount of revenue that a municipality uses for a

23 purpose described by Subsection (a) may not exceed the amount the

24 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, Sections 351.003(d)

3 and 351.1075, Tax Code, as added by this Act, are repealed.

4   SECTION 4. This Act takes effect immediately if it receives

5 a vote of two-thirds of all the members elected to each house, as

6 provided by Section 39, Article III, Texas Constitution. If this

7 Act does not receive the vote necessary for immediate effect, this

8 Act takes effect September 1, 2003.