

By: Lucio

S.B. No. 1784

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

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

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

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

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

25 (8) "Visitor information center" or "tourism
26 information center" means a building or a portion of a building used
27 to distribute or disseminate information to tourists.

1 (9) "Revenue" includes any interest derived from the
2 revenue.

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

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

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

8 (b) that borders on the Gulf of Mexico; and

9 (c) the boundaries of which are within 30 miles of the
10 United Mexican States.

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

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

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

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

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

25 Section 3. Section 351, Tax Code, is amended by adding a
26 Section 351.1075 to read as follows:

27 Section 351.1075. Allocation of Revenue. Eligible

1 General-Law Coastal Municipalities.

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

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

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

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

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

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