

1-1 By: Lucio S.B. No. 1784  
1-2 (In the Senate - Filed March 14, 2003; March 24, 2003, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 22, 2003, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 April 22, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1784 By: Brimer

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the imposition of a hotel occupancy tax in eligible  
1-11 general-law coastal municipalities.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 351.001, Tax Code, is amended by adding  
1-14 Subdivision (11) to read as follows:

1-15 (11) "Eligible general-law coastal municipality"  
1-16 means a general-law municipality:

1-17 (A) that has a population of less than 5,000;

1-18 (B) that borders on the Gulf of Mexico; and

1-19 (C) the boundaries of which are within 30 miles  
1-20 of the United Mexican States.

1-21 SECTION 2. Subchapter A, Chapter 351, Tax Code, is amended  
1-22 by adding Sections 351.0021 and 351.0022 to read as follows:

1-23 Sec. 351.0021. TAX AUTHORIZED IN ELIGIBLE GENERAL-LAW  
1-24 COASTAL MUNICIPALITY. An eligible general-law coastal  
1-25 municipality may adopt the hotel occupancy tax authorized under  
1-26 Section 351.002 at an election held in the municipality.

1-27 Sec. 351.0022. ELECTION PROCEDURE. An election to adopt  
1-28 the tax authorized under Section 351.002 in an eligible general-law  
1-29 coastal municipality is called by the adoption of an ordinance by  
1-30 the governing body of the municipality.

1-31 SECTION 3. Section 351.003, Tax Code, is amended by adding  
1-32 Subsection (d) to read as follows:

1-33 (d) The rate in an eligible general-law coastal  
1-34 municipality may not exceed eight percent of the price paid for a  
1-35 room in a hotel.

1-36 SECTION 4. Subchapter B, Chapter 351, Tax Code, is amended  
1-37 by adding Section 351.1075 to read as follows:

1-38 Sec. 351.1075. ALLOCATION OF REVENUE: ELIGIBLE GENERAL-LAW  
1-39 COASTAL MUNICIPALITIES. (a) An eligible general-law coastal  
1-40 municipality shall use the amount of revenue from the tax that is  
1-41 derived from the application of the tax at a rate of more than seven  
1-42 percent of the cost of the room only for:

1-43 (1) the maintenance, improvement, or operation of  
1-44 parks, a trolley or trolley transportation system, or other  
1-45 facilities as may be considered advisable in connection with such  
1-46 facilities that serve the purpose of attracting visitors and  
1-47 tourists to the municipality;

1-48 (2) the maintenance, improvement, or operation of a  
1-49 beautification plan for the town's facilities that serves the  
1-50 purpose of attracting visitors and tourists to the municipality;  
1-51 and

1-52 (3) enhancing and providing for public beach access  
1-53 and other facilities, including restrooms and other  
1-54 infrastructures that serve the purpose of attracting visitors and  
1-55 tourists to the municipality.

1-56 (b) Any interest income derived from the application of the  
1-57 tax at the rate of more than seven percent of the cost of the room  
1-58 may be used only for the purposes provided by this section.

1-59 SECTION 5. This Act takes effect immediately if it receives  
1-60 a vote of two-thirds of all the members elected to each house, as  
1-61 provided by Section 39, Article III, Texas Constitution. If this  
1-62 Act does not receive the vote necessary for immediate effect, this  
1-63 Act takes effect September 1, 2003.

1-64 \* \* \* \* \*