

By: Rios Ybarra

H.B. No. 1324

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the municipal hotel occupancy tax imposed in certain  
3 municipalities.

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

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

7 (11) "Eligible barrier island coastal municipality"  
8 means a municipality:

9 (A) that borders on the Gulf of Mexico;

10 (B) that is located wholly on a barrier island;

11 and

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

14 SECTION 2. Section 351.003, Tax Code, is amended by adding  
15 Subsection (d) to read as follows:

16 (d) The rate in an eligible barrier island coastal  
17 municipality may not exceed 8-1/2 percent of the price paid for a  
18 room.

19 SECTION 3. Section 351.1055(a), Tax Code, is amended by  
20 adding Subdivision (4) to read as follows:

21 (4) "Erosion response project" has the meaning  
22 assigned by Section 33.601, Natural Resources Code.

23 SECTION 4. Section 351.1055, Tax Code, is amended by adding  
24 Subsections (d) and (e) to read as follows:

1        (d) Notwithstanding any other provision of this chapter and  
2 except as provided by Subsection (e), an eligible barrier island  
3 coastal municipality shall use at least the amount of revenue  
4 derived from the application of the tax at a rate of seven percent  
5 of the cost of a room for the purposes authorized under Sections  
6 351.101(a)(1) and (3).

7        (e) An eligible barrier island coastal municipality that  
8 imposes the tax at a rate equal to or greater than 7-1/2 percent of  
9 the price paid for a room shall use at least the amount of revenue  
10 derived from the application of the tax at a rate of one-half of one  
11 percent of the cost of a room for erosion response projects.

12        SECTION 5. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2009.