

AN ACT

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

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

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

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

(A) that borders on the Gulf of Mexico;

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

and

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

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

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

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

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

SECTION 4. Section 351.1055, Tax Code, is amended by adding 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.

H.B. No. 1324

President of the Senate

Speaker of the House

I certify that H.B. No. 1324 was passed by the House on April 30, 2009, by the following vote: Yeas 142, Nays 2, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1324 was passed by the Senate on May 19, 2009, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor