

1 AN ACT

2 relating to the rate of the municipal hotel occupancy tax in certain
3 municipalities and to the use of certain revenue from the tax.

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

5 SECTION 1. Subchapter A, Chapter 351, Tax Code, is amended
6 by adding Section 351.0035 to read as follows:

7 Sec. 351.0035. TAX RATE AND USE IN CERTAIN MUNICIPALITIES.

8 (a) The tax imposed by this chapter in a home-rule municipality
9 that was originally chartered in or after 1938, that is home to a
10 major state university, and that is located in a county bordered by
11 the Brazos and Navasota Rivers, may be imposed at any rate not to
12 exceed 7.75 percent of the price paid for a room in a hotel.

13 (b) The municipality shall allocate for the construction of
14 a convention center in the municipality all revenue received by the
15 municipality that is derived from the application of the tax at a
16 rate of more than seven percent of the price paid for a room in a
17 hotel.

18 (c) The municipality may not increase the rate of the tax to
19 a rate above seven percent before the date the municipality
20 executes a contract for the construction of the convention center.

21 (d) This section expires on the date the governing body of
22 the municipality certifies that all debt relating to the convention
23 center payable from the tax, including interest and any costs
24 relating to the debt, has been paid in full or a deposit has been

1 made and an escrow agreement in relation to the debt has been
2 executed.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 4661 was passed by the House on May 5, 2009, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4661 was passed by the Senate on May 21, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor