

By: Lucio

S.B. No. 989

A BILL TO BE ENTITLED

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 may use all or any portion of the revenue
4 derived from the municipal hotel occupancy tax:

5 (1) to clean and maintain the beaches in the
6 municipality;

7 (2) to provide beach security within the municipality;

8 (3) for any of the purposes permitted or allowed by
9 Section 1504.001, Government Code;

10 (4) for any purpose allowed by Section 351.105,
11 without regard to the rate of the tax in the municipality;

12 (5) for any erosion response project;

13 (6) for beautifying or improving the safety of and
14 access to the portion of State Highway 100 that is within the
15 boundaries of the municipality; or

16 (7) to pay the principal of or interest on bonds or
17 notes issued for any of these purposes.

18 (e) An eligible barrier island coastal municipality shall
19 use at least the amount of revenue derived from the application of
20 the tax at a rate of one-half of one percent of the cost of a room
21 for erosion control projects.

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