

By: Lucio

S.B. No. 1138

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 351.003(d), Tax Code, is amended to read as follows:

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

SECTION 2. Section 351.1055(e), Tax Code, is amended to read as follows:

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

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.