

AN ACT

relating to the allocation and use of municipal hotel occupancy taxes in certain municipalities bordering bays.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.104 to read as follows:

Sec. 351.104. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES BORDERING BAYS. (a) This section applies only to a home-rule municipality that borders a bay, that has a population of less than 80,000, and that is not an eligible coastal municipality.

(b) In this section:

(1) "Adjacent public land" means land that:

(A) is owned by this state or a local governmental entity; and

(B) is located adjacent to a bay that is bordered by a municipality to which this section applies.

(2) "Clean and maintain" means the collection and removal of litter and debris and the supervision and elimination of sanitary and safety conditions that would pose a threat to personal health or safety if not removed or otherwise corrected.

(c) Notwithstanding any other provision of this chapter and subject to Subsections (d) and (e), a municipality to which this section applies may use not more than 10 percent of the revenue derived from the tax imposed under this chapter:

1           (1) for a purpose described by Section 351.105(a)(1)  
2 or (2);

3           (2) to clean and maintain adjacent public land; or

4           (3) to mitigate coastal erosion on adjacent public  
5 land.

6           (d) A municipality to which this section applies may not  
7 reduce the amount of revenue that it uses for a purpose described by  
8 Section 351.101(a)(3) to an amount that is less than the average  
9 amount of revenue used by the municipality for that purpose during  
10 the 36-month period that precedes the municipality's use of revenue  
11 under Subsection (c).

12           (e) A municipality that uses revenue from the tax imposed  
13 under this chapter for a purpose provided by this section must spend  
14 the same amount of revenue for the same purpose from a source other  
15 than that tax.

16           SECTION 2. This Act takes effect September 1, 2003.

David Dewhurst

President of the Senate

Jim Caddick

Speaker of the House

I certify that H.B. No. 2718 was passed by the House on May 10, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2718 on May 30, 2003, by a non-record vote.

Robert Henry  
Chief Clerk of the House

I certify that H.B. No. 2718 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Patry Agaw

Secretary of the Senate

APPROVED: 20 JUN '03

Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 PM O'CLOCK

JUN 20 2003  
Ann Shea  
Secretary of State