

BILL ANALYSIS

Senate Research Center
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H.B. 1655
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Intergovernmental Relations
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Engrossed

DIGEST

Currently, the city of Corpus Christi enforces a municipal hotel occupancy tax at a rate of no more than seven percent of the room price. The city would like to expand its convention center. H.B. 1655 would establish conditions regarding the rate and allocation of the hotel occupancy tax in certain municipalities.

PURPOSE

As proposed, H.B. 1655 establishes conditions regarding the rate and allocation of the hotel occupancy tax in certain municipalities.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 351.003, Tax Code, by adding Subsection (d), to prohibit the rate in a municipality that borders on the Gulf of Mexico and has a population of more than 250,000 from exceeding nine percent of the price paid for a room.

SECTION 2. Amends Chapter 352B, Tax Code, by adding Section 352.109, as follows:

Sec. 352.109. USE OF REVENUE; CERTAIN LARGE COSTAL MUNICIPALITIES. Provides that this section applies only to a municipality that borders on the Gulf of Mexico and has a population of 250,000 or more. Requires a municipality to which this section applies to separately account for all revenue derived from the application of the tax imposed by this chapter at a rate of more than seven percent of the cost of the room. Authorizes revenue to be used only for certain purposes. Provides that for the purpose of the allocation of revenue under Section 351.103, revenue described by Subsection (b) is not counted.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Emergency clause.
Effective date: upon passage.