

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1655
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Intergovernmental Relations
5/13/1999
Committee Report (Substituted)

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. C.S.H.B. 1655 would establish conditions regarding the rate and allocation of the hotel occupancy tax in certain municipalities.

PURPOSE

As proposed, C.S.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 351B, Tax Code, by adding Section 352.107, as follows:

Sec. 352.107. ALLOCATION 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 more than 250,000. Requires a municipality to separately account for all revenue derived from the application of the imposed tax at a rate of more than seven percent of the cost of a room. Sets forth conditions for which the revenue described by Subsection (b) may be used. Provides that for the purpose of the allocation of revenue under Section 351.103, revenue described by Subsection (b) is not counted. Authorizes a municipality to which this section applies to use all or any portion of the tax revenue derived from the municipal hotel occupancy tax from hotels previously subject to a county hotel occupancy tax to clean and maintain public beaches in the municipality. Defines “clean and maintain” and “public beach”

SECTION 3. Makes application of this Act prospective.

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