

BILL ANALYSIS

Senate Research Center

H.B. 1022
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Concerns have been raised regarding the use of revenue from the hotel occupancy tax. H.B. 1022 creates a reporting requirement to provide information about how this revenue is spent and ensure that the funds are spent to promote tourism, as required by law.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 351.107, Tax Code, as added by Chapters 495 and 1467, Acts of the 76th Legislature, Regular Session, 1999, by renumbering it as Section 351.108, Tax Code, and amending it as follows:

Sec. 351.108. (b) Requires a municipality or entity that spends revenue derived from the tax imposed under this chapter, before making an expenditure, to specify in a list each scheduled activity or event that is directly funded by the tax or is offered by an entity that has its administrative costs funded in whole or in part by the tax and directly promotes tourism and hotel and convention activity.

(c) Provides that if a municipality delegates to another entity the management or supervision of an activity or event funded by the tax imposed under this chapter, each entity that is ultimately funded by the tax is required, before making an expenditure, to specify in a list each scheduled activity or event that is directly funded by the tax or is offered by an entity that has its administrative costs funded in whole or in part by the tax and directly promotes tourism and hotel and convention activity.

(d) Provides that Subsections (a) and (b) do not prevent a municipality or funded entity from subsequently adding an activity or event to the list required by those subsections if the activity or event directly promotes tourism and hotel and convention activity.

(e) Provides that this section does not prevent a municipality or entity receiving revenue from the tax imposed under this chapter from setting aside tax revenue in a designated reserve fund for use in supporting planned activities, future events, and facility improvements that directly promote tourism and hotel and convention activity.

SECTION 2. Effective date: September 1, 2001.
Makes application of this Act prospective.