

## **BILL ANALYSIS**

Senate Research Center

S.B. 1603  
By: Sibley  
Intergovernmental Relations  
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As Filed

### **DIGEST**

Currently, Texas municipalities are not required to maintain separate records on revenues and expenditures relating to the local hotel occupancy tax. This bill would revise the regulations regarding the expenditure of revenue and interest derived from the municipal hotel occupancy tax to require separate records, and authorize a district court to grant injunctive relief to prevent an unauthorized expenditure of hotel occupancy tax revenue and order a full reimbursement of any revenue used for unauthorized purposes.

### **PURPOSE**

As proposed, S.B. 1603 revises the regulations regarding the expenditure of revenue and interest derived from the municipal hotel occupancy tax.

### **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 351.001, Tax Code, by adding Subdivision (10), to define "revenue."

SECTION 2. Amends Chapter 351B, Tax Code, by adding Sections 351.107 and 351.108, as follows:

Sec. 351.107. **INJUNCTION AND RELIEF.** Authorizes a district court to grant injunctive relief and order certain reimbursements on a finding by a district court that revenue from the tax imposed under this chapter has been spent or is going to be spent by a municipality, by a person with whom the municipality contracts, or by any other person for a purpose not authorized by this chapter.

Sec. 351.108. **SEPARATE RECORDS.** Requires a municipality to maintain a record that identifies, as separate items, the amount of revenue derived from the tax imposed under this chapter and the amount and purpose of each expenditure from that revenue.

SECTION 3. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 4. Emergency clause.