

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1603
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Intergovernmental Relations
4/1/1999
Committee Report (Substituted)

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, C.S.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 the owner or operator of a hotel that pays the tax imposed under this chapter to the municipality or a state association of hotels whose membership includes a hotel that pays the tax imposed under this chapter to the municipality to commence a civil action in a district court, not later than four years after the day the expenditure was made, for injunctive relief and reimbursement, if it appears that a municipality, a person with whom a municipality contracts, or any other person is spending or is going to spend revenue from the tax imposed under this chapter for a purpose not authorized by this chapter. Authorizes the district court to grant certain relief and order certain reimbursement on a finding by the court that revenue from the tax imposed under this chapter has been spent or is going to be spent by the municipality, by a person with whom the municipality contracts, or by any other person for a purpose not authorized by this chapter. Prohibits a court from reviewing a pledge of revenue from the tax imposed under this chapter for bonds under certain circumstances.

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.

SUMMARY OF COMMITTEE CHANGES

SECTION 2.

Amends Chapter 351B, Tax Code, by adding Section 351.107, regarding injunction and relief.
Deletes proposed Section 351.107, Tax Code, regarding injunction and relief.