

- SUBJECT:** Hotel occupancy tax revenue for beach maintenance in certain cities
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 11 ayes — Oliveira, Otto, Bohac, Hartnett, Hilderbran, C. Howard, P. King, Paxton, Peña, Taylor, Villarreal
0 nays
- WITNESSES:** For — Michael Kovacs, City of Port Aransas; Ann Vaughan, Port Aransas Chamber of Commerce; (*Registered, but did not testify:* Hugo Berlanga, City of Port Aransas)
Against — None
- BACKGROUND:** Tax Code, ch. 156 establishes the hotel occupancy tax on hotel rooms costing \$15 or more. Revenue from the hotel occupancy tax is deposited in the state treasury as general revenue.
Sec. 156.2512 requires the comptroller to remit one percent of hotel occupancy taxes received from hotels located on barrier islands in an eligible barrier island coastal municipality to the eligible municipality, which may use those funds only to clean and maintain public beaches or for erosion projects in its jurisdiction.
“Eligible barrier island coastal municipality” includes a municipality, such as Galveston and South Padre Island, that borders the Gulf of Mexico, is located in total or in part on a barrier island, and whose boundaries are within 30 miles of Mexico or include a portion of a national seashore.
- DIGEST:** HB 2276 would amend the definition of “eligible barrier island municipality” in Tax Code, sec. 156.2512 to include a municipality with boundaries that include a national estuarine research reserve, such as the city of Port Aransas.
The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

NOTES: The companion bill, SB 1684 by Hinojosa, passed the Senate by 31-0 on April 16 on the Local and Uncontested Calendar and has been referred to the House Ways and Means Committee.