BILL ANALYSIS

DIGEST AND PURPOSE

Currently, a local hotel occupancy tax must be used to promote tourism and the hotel and convention industry. However, current law does not require that the funded entity indicate which of its hotel occupancy tax funded programs or events directly promote tourism and the hotel and convention industry. As proposed, S.B. 528 requires an entity that is funded by the hotel occupancy tax to report which activities and events will directly promote the industry, in order to enhance the likelihood that the tax is expended in a manner consistent with state 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, to renumber it as Section 351.108, Tax Code, and amend it, as follows:

> Sec. 351.108. RECORDS. (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 funded by the tax and directly promotes tourism and hotel convention activity.

> (c) Requires each entity funded by the tax, if a municipality delegates to it the management or supervision of an activity or event funded by this chapter, before making an expenditure, to specify in a list each activity or event that is funded by the tax and promotes tourism and hotel 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.

SECTION 2. Effective date: September 1, 2001.
            Makes application of this Act prospective to an expenditure made on or after the effective date.