

**BILL ANALYSIS**

Senate Research Center

S.B. 1784  
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Intergovernmental Relations  
4/14/2003  
As Filed

**DIGEST AND PURPOSE**

As proposed, S.B. 1784 provides funds for South Padre Island to provide relief projects, including a traffic control system, to handle its fluctuating yearly tourist population.

**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 351.001, Tax Code, to define “eligible general-law coastal municipality.”

SECTION 2. Amends Section 351.003, Tax Code, by adding Subsection (d), to prohibit the tax rate of an eligible general-law coastal municipality from exceeding eight percent of the price paid for a room in a hotel.

SECTION 3. Amends Chapter 351, Tax Code, by adding Section 351.1075, as follows:

Section 351.1075. ALLOCATION OF REVENUE. ELIGIBLE GENERAL-LAW COASTAL MUNICIPALITIES. (a) Requires an eligible general-law coastal municipality to use the amount of revenue from the tax that is derived from the application of the rate at a rate of more than seven percent of the cost of the room only for certain purposes.

(b) Authorizes any interest income derived from the application of the tax at the rate of more than seven percent of the cost of the room to be used only for purposes in this section.

SECTION 4. Effective date: upon passage or September 1, 2003.