AN ACT
relating to the use of municipal hotel occupancy tax revenue in certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 351.101, Tax Code, is amended by adding Subsection (n) to read as follows:

(n) In addition to other authorized uses, a municipality that has a population of not more than 1,500 and is located in a county that borders Arkansas and Louisiana may use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7), provided that the requirements of Subsections (a)(7)(A) and (C) and Section 351.1076 are met.

SECTION 2. Section 351.1076(a), Tax Code, is amended to read as follows:

(a) A municipality that spends municipal hotel occupancy tax revenue for the enhancement and upgrading of existing sports facilities or fields as authorized by Section 351.101(a)(7) or (n):

(1) shall determine the amount of municipal hotel occupancy tax revenue generated for the municipality by hotel activity attributable to the sports events and tournaments held on the enhanced or upgraded facilities or fields for five years after the date the enhancements and upgrades are completed; and

(2) may not spend hotel occupancy tax revenue for the
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enhancement and upgrading of the facilities or fields in a total amount that exceeds the amount of area hotel revenue attributable to the enhancements and upgrades.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 942 passed the Senate on April 19, 2017, by the following vote: Yeas 27, Nays 4.

Secretary of the Senate

I hereby certify that S.B. No. 942 passed the House on May 24, 2017, by the following vote: Yeas 134, Nays 12, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor

Filed in the office of the Secretary of State, 7:00 pm, o'clock

Secretary of State
TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB942 by Hughes (relating to the use of municipal hotel occupancy tax revenue in certain municipalities.), Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend Chapter 351 of the Tax Code, regarding local hotel taxes.

The bill would amend Section 351.101, regarding the use of municipal hotel tax revenue, to add Subsection (n) to permit a city that has a population of not more than 1,500 and is located in a county that borders Arkansas and Louisiana to use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field, provided the city owns the facility or field and the facility was used in the preceding calendar year a combined total of more than 10 times for district, state, regional or national sports tournaments. The municipality may not spend an amount of municipal hotel occupancy tax for this purpose in an amount that exceeds the amount of area hotel revenue attributable to the enhancements and upgrades.

The bill would have no state revenue implications.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

Local Government Impact

Based on the 2010 decennial census, the bill would authorize the city of Queen City to use municipal hotel tax revenue for certain existing sports facilities.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, SD, KK
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