

Chapter 53

S.B. No. 1365

AN ACT

relating to the use of municipal hotel occupancy tax revenue by certain municipalities.

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

SECTION 1. Section 351.101(a), Tax Code, as amended by Chapters 666 (H.B. 3772) and 979 (H.B. 3615), Acts of the 84th Legislature, Regular Session, 2015, is reenacted and amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and

1 allied fields, painting, sculpture, photography, graphic and craft
2 arts, motion pictures, radio, television, tape and sound recording,
3 and other arts related to the presentation, performance, execution,
4 and exhibition of these major art forms;

5 (5) historical restoration and preservation projects
6 or activities or advertising and conducting solicitations and
7 promotional programs to encourage tourists and convention
8 delegates to visit preserved historic sites or museums:

9 (A) at or in the immediate vicinity of convention
10 center facilities or visitor information centers; or

11 (B) located elsewhere in the municipality or its
12 vicinity that would be frequented by tourists and convention
13 delegates;

14 (6) [~~for a municipality located in a county with a~~
15 ~~population of one million or less,~~] expenses, including promotion
16 expenses, directly related to a sporting event in which the
17 majority of participants are tourists who substantially increase
18 economic activity at hotels and motels within the municipality or
19 its vicinity if:

20 (A) the municipality is located in a county with
21 a population of one million or less; or

22 (B) the municipality has a population of more
23 than 67,000 and is located in two counties with 90 percent of the
24 municipality's territory located in a county with a population of
25 at least 580,000, and the remaining territory located in a county
26 with a population of at least four million;

27 (7) subject to Section 351.1076, the promotion of

1 tourism by the enhancement and upgrading of existing sports
2 facilities or fields, including facilities or fields for baseball,
3 softball, soccer, flag football, and rodeos, if:

4 (A) the municipality owns the facilities or
5 fields;

6 (B) the municipality:

7 (i) has a population of 80,000 or more and
8 is located in a county that has a population of 350,000 or less;

9 (ii) has a population of at least 75,000 but
10 not more than 95,000 and is located in a county that has a
11 population of less than 200,000 but more than 160,000;

12 (iii) has a population of at least 36,000
13 but not more than 39,000 and is located in a county that has a
14 population of 100,000 or less that is not adjacent to a county with
15 a population of more than two million;

16 (iv) has a population of at least 13,000 but
17 less than 39,000 and is located in a county that has a population of
18 at least 200,000;

19 (v) has a population of at least 70,000 but
20 less than 90,000 and no part of which is located in a county with a
21 population greater than 150,000;

22 (vi) is located in a county that:

23 (a) is adjacent to the Texas-Mexico
24 border;

25 (b) has a population of at least
26 500,000; and

27 (c) does not have a municipality with

1 a population greater than 500,000;

2 (vii) has a population of at least 25,000
3 but not more than 26,000 and is located in a county that has a
4 population of 90,000 or less;

5 (viii) [~~(ix)~~] is located in a county that
6 has a population of not more than 300,000 and in which a component
7 university of the University of Houston System is located; [~~or~~]

8 (ix) [~~(x)~~] has a population of at least
9 40,000 and the San Marcos River flows through the municipality; or

10 (x) has a population of more than 67,000 and
11 is located in two counties with 90 percent of the municipality's
12 territory located in a county with a population of at least 580,000,
13 and the remaining territory located in a county with a population of
14 at least four million; and

15 (C) the sports facilities and fields have been
16 used, in the preceding calendar year, a combined total of more than
17 10 times for district, state, regional, or national sports
18 tournaments;

19 (8) for a municipality with a population of at least
20 70,000 but less than 90,000, no part of which is located in a county
21 with a population greater than 150,000, the construction,
22 improvement, enlarging, equipping, repairing, operation, and
23 maintenance of a coliseum or multiuse facility;

24 (9) signage directing the public to sights and
25 attractions that are visited frequently by hotel guests in the
26 municipality;

27 (10) the construction, improvement, enlarging,

1 equipping, repairing, operation, and maintenance of a coliseum or
2 multiuse facility, if the municipality:

3 (A) has a population of at least 90,000 but less
4 than 120,000; and

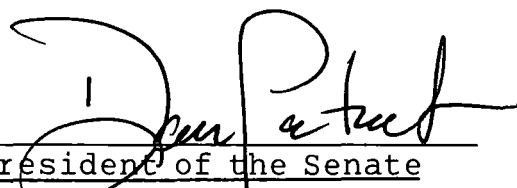
5 (B) is located in two counties, at least one of
6 which contains the headwaters of the San Gabriel River; and

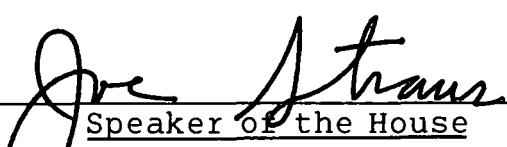
7 (11) for a municipality with a population of more than
8 175,000 but less than 225,000 that is located in two counties, each
9 of which has a population of less than 200,000, the construction,
10 improvement, enlarging, equipping, repairing, operation, and
11 maintenance of a coliseum or multiuse facility and related
12 infrastructure or a venue, as defined by Section 334.001(4), Local
13 Government Code, that is related to the promotion of tourism.

14 SECTION 2. To the extent of any conflict, this Act prevails
15 over another Act of the 85th Legislature, Regular Session, 2017,
16 relating to nonsubstantive additions to and corrections in enacted
17 codes.

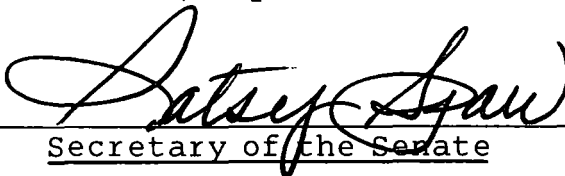
18 SECTION 3. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1,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

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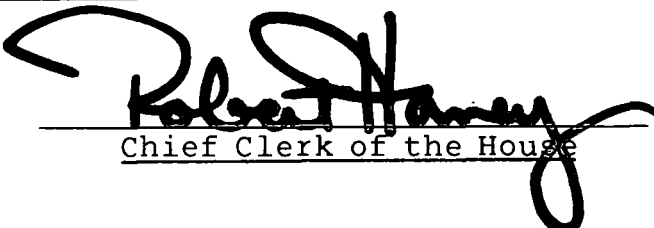

President of the Senate


Speaker of the House

I hereby certify that S.B. No. 1365 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. 1365 passed the House on May 9, 2017, by the following vote: Yeas 138, Nays 7, two present not voting. _____



Chief Clerk of the House

Approved:

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
7pm O'CLOCK

MAY 22 2017

Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 20, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1365 by Miles (Relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), As Introduced

No fiscal implication to the State is anticipated.

The bill would amend Subsection 351.101(a) of the Tax Code, regarding the use of municipal hotel tax revenue, to authorize a municipality with a population of more than 67,000 that is located in two counties with 90 percent of the municipality's territory located in a county with a population of at least 580,000 and the remaining territory located in a county with a population of at least four million, to use municipal hotel tax revenue for expenses, including promotion, related to certain sporting events and the promotion of tourism by the enhancement and upgrading of certain sports facilities.

The bill would have no state revenue implications

The 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

The bill would allow the City of Missouri City to use municipal hotel tax revenue for certain purposes outlined in the above section.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, SD, KK