Chapter 227

S.B. No. 1136

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. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1068 to read as follows:

Sec. 351.1068. ALLOCATION OF REVENUE FOR SPORTS FACILITIES BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality that is the county seat of a county that:

(1) is located on the Texas-Mexico border;

(2) has a population of 500,000 or more; and

(3) is adjacent to two or more counties, each of which has a population of 50,000 or more.

(b) A municipality to which this section applies may use revenue derived from the municipal hotel occupancy tax to construct, maintain, or expand a sporting-related facility or sporting-related field on property owned by the municipality, provided the municipality's sports facilities and fields have been used in the preceding calendar year a combined total of more than 10 times for district, state, regional, or national sports tournaments, games, or events.

(c) A municipality to which this section applies that uses revenue derived from the municipal hotel occupancy tax for a purpose described by Subsection (b):
(1) shall determine the amount of municipal hotel occupany tax revenue generated for the municipality by hotel activity attributable to the sports tournaments, games, and events held on the newly constructed, enhanced, or upgraded facilities or fields for 10 years after the date the construction, enhancements, or upgrades are completed; and

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

(d) A municipality to which this section applies shall reimburse from the municipality's general fund any expenditure in excess of the amount of area hotel revenue attributable to the construction, enhancements, or upgrades to the municipality's hotel occupancy tax revenue fund.

(e) If a municipality to which this section applies uses revenue derived from the municipal hotel occupancy tax for a purpose described by Subsection (b), the municipality may not reduce the percentage of revenue from that tax allocated for a purpose described by Section 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue for a purpose described by Subsection (b).

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as
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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2017.

President of the Senate

I hereby certify that S.B. No. 1136 passed the Senate on
April 19, 2017, by the following vote: Yeas 28, Nays 3.

Speaker of the House

Secretary of the Senate

I hereby certify that S.B. No. 1136 passed the House on
May 19, 2017, by the following vote: Yeas 136, Nays 8, two
present not voting.

Chief Clerk of the House

Approved:

Date

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1136 by Hinojosa (relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

Local Government Impact

This bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to add new Section 351.1068 to authorize a municipality that is the county seat of a county that (1) is located on the Texas-Mexico border; (2) has a population of 500,000 or more; and (3) is adjacent to two or more counties each of which has a population of 50,000 or more to use municipal hotel tax revenue to construct, maintain, or expand a sporting-related facility or property owned by the municipality.

The bill would require the municipality to determine the amount of that tax revenue attributable to sports tournaments, events and games held on the newly constructed, enhanced or upgraded facilities or fields for 10 years after the date the construction, enhancements or upgrades were completed. The municipality may not spend over that amount for the construction, enhancement or upgrades from that tax revenue, and the municipality would reimburse from its general fund any expenditure in excess of the amount attributable to the construction, enhancements or upgrades.

The bill's provisions would affect the manner in which the City of Edinburg, Hidalgo County, could allocate its municipal hotel tax revenue.

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.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: UP, SZ, KK
TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1136 by Hinojosa (Relating to the use of municipal hotel occupancy tax revenue for sporting-related facilities in certain municipalities.), As Introduced

No fiscal implication to the State is anticipated.

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to add new Section 351.1068 to authorize a municipality that is the county seat of a county that (1) is adjacent to the Texas-Mexico border; (2) has a population of 500,000 or more; and (3) is adjacent to two more counties each of which has a population of 50,000 or more to use municipal hotel tax revenue to construct, maintain, or expand a sporting-related facility or property owned by the municipality. The bill would have a reporting requirement on certain anniversaries of project completion, and places certain limitations on the use of revenue.

There would be no state or local revenue implications. The bill would take effect September 1, 2017.

Local Government Impact

The bill's provisions would allow the City of Edinburg in Hidalgo County to use municipal hotel tax revenue to construct, maintain, or expand a sporting-related facility or property owned by the city.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: UP, SZ, SD, KK