

By: Klick

H.B. No. 3216

A BILL TO BE ENTITLED

AN ACT

relating to the use of 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 351.1062 to read as follows:

Sec. 351.1062. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES WITH CITY PARKS. (a) This section applies only to a municipality that:

(1) has a population of more than 7,500 but less than 12,000;

(2) has at least one hotel within 350 feet of a city park; and

(3) is wholly located in a county with a population of more than 1.8 million but less than 2.3 million.

(b) Notwithstanding any other provision of this chapter and subject to Subsections (c) and (d), a municipality to which this section applies may use revenue from the tax imposed under this chapter to promote tourism and the convention and hotel industry by constructing a sports facility and amphitheater.

(c) A municipality that uses revenue derived from the tax imposed under this chapter for the purpose described by Subsection (b):

(1) shall make a good-faith estimate of the amount of

1 area hotel revenue that will be generated by events and activities
2 held at the sports facility and amphitheater during the five-year
3 period following the date on which construction is completed; and

4 (2) may not spend hotel occupancy tax revenue for the
5 construction of the sports facility and amphitheater in a total
6 amount that exceeds the amount of area hotel revenue estimated
7 under Subdivision (1).

8 (d) At the end of the five-year period described by
9 Subsection (c)(1), a municipality shall reimburse from the
10 municipality's general fund to the municipality's hotel occupancy
11 tax revenue fund any municipal hotel occupancy tax revenue spent on
12 the construction of the sports facility and amphitheater in excess
13 of the amount of area hotel revenue attributable to the sports
14 facility and amphitheater during that period.

15 SECTION 2. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2023.