

By: Reynolds

H.B. No. 3243

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the use by certain municipalities of municipal hotel
3 occupancy tax revenue for the enhancement and maintenance of public
4 parks.

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

6 SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended
7 by adding Section 351.111 to read as follows:

8 Sec. 351.111. ALLOCATION OF REVENUE FOR PUBLIC PARKS BY
9 CERTAIN MUNICIPALITIES. (a) This section applies only to a
10 municipality that:

11 (1) has a population of more than 69,000; and

12 (2) is located in two counties, with 90 percent of the
13 municipality's territory located in a county with a population of
14 at least 580,000 and the remaining territory located in a county
15 with a population of at least four million.

16 (b) Notwithstanding any other provision of this chapter and
17 subject to the requirements of this section, a municipality to
18 which this section applies may use a portion of the revenue derived
19 from the tax imposed under this chapter to promote tourism and the
20 convention and hotel industry by enhancing and maintaining public
21 parks the municipality owns.

22 (c) The amount of municipal hotel occupancy tax revenue a
23 municipality may use in a fiscal year to enhance and maintain all
24 public parks may not exceed 10 percent of the amount of revenue the

1 municipality collected from that tax during the preceding fiscal
2 year.

3 (d) The amount of municipal hotel occupancy tax revenue a
4 municipality may use in a fiscal year to enhance and maintain an
5 individual public park may not exceed the amount of area hotel
6 revenue in the preceding fiscal year that was directly attributable
7 to tourists who attended events held at that park or otherwise
8 visited that park. Before the municipality uses municipal hotel
9 occupancy tax revenue to enhance or maintain a park, the
10 municipality must make a good faith estimate of the annual amount of
11 area hotel revenue directly attributable to tourists who visited
12 that park.

13 (e) A municipality that uses municipal hotel occupancy tax
14 revenue under this section:

15 (1) may, notwithstanding the limitation under
16 Subsection (c), reserve not more than 10 percent of the revenue from
17 that tax collected in a fiscal year for use under this section
18 during the succeeding three fiscal years; and

19 (2) may not reduce the percentage of revenue from that
20 tax allocated for a purpose described by Section 351.101(a)(3) to a
21 percentage that is less than the average percentage of the revenue
22 from that tax allocated by the municipality for the purpose
23 described by Section 351.101(a)(3) during the 36-month period
24 preceding the date the municipality begins using revenue for a
25 purpose described by this section.

26 SECTION 2. This Act takes effect September 1, 2023.