

By: Lozano

H.B. No. 3598

A BILL TO BE ENTITLED

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 351.10691 to read as follows:

Sec. 351.10691. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality that is the county seat of a county that:

(1) has a population of less than 40,000;

(2) contains a portion of Lake Corpus Christi; and

(3) is adjacent to a county that has a population of less than 400,000 and contains a municipality with a population of at least 300,000.

(b) In addition to other authorized uses, a municipality to which this section applies may use revenue derived from the tax imposed under this chapter to promote tourism by enhancing and upgrading an existing sports facility or field, provided that the municipality complies with Section 351.1076.

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 Section 351.1069, Section 351.10691, or Section 351.10711:

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

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

11 SECTION 3. This Act takes effect September 1, 2023.