

By: Isaac

H.B. No. 4660

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy tax revenue in 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 351.10693 to read as follows:

Sec. 351.10693. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality:

(1) with a population of less than 3,000;

(2) through which the Blanco River flows; and

(3) that is located in a county that:

(A) is adjacent to the county in which the State Capitol is located; and

(B) has a population of at least 250,000.

(b) Notwithstanding any other provision of this chapter, a municipality to which this section applies may use revenue from the municipal hotel occupancy tax for the promotion and preservation of dark skies through construction and maintenance of infrastructure and the purchase and installation of hardware that reduces light pollution and sky glow.

(c) Notwithstanding any other provision of this chapter, a municipality to which this section applies may use revenue from the municipal hotel occupancy tax for promotional and event expenses for an ecological tourism event, including an event for which the

1 primary attraction is traveling to an area of natural or ecological
2 interest for the purpose of observing and learning about wildlife
3 and the area's natural environment, if:

4 (1) a majority of the event's participants are
5 tourists; and

6 (2) the event substantially increases economic
7 activity at hotels and motels within or in the vicinity of the
8 municipality.

9 (d) A municipality that uses revenue from the municipal
10 hotel occupancy tax for a purpose described by Subsection (b) or
11 (c):

12 (1) shall determine the amount of area hotel revenue
13 attributable to events and activities related to those purposes for
14 five years after the date the municipality first uses hotel
15 occupancy tax revenue for a purpose described by Subsection (b) or
16 (c); and

17 (2) may not spend municipal hotel occupancy tax
18 revenue for the purposes described by Subsections (b) and (c) in a
19 total amount that exceeds the amount determined under Subdivision
20 (1).

21 (e) A municipality may not spend more than 25 percent of the
22 municipality's annual hotel occupancy tax revenue for the purposes
23 described by Subsections (b) and (c).

24 (f) A municipality to which this section applies may not
25 reduce the amount of revenue that the municipality uses for a
26 purpose described by Section 351.101(a)(3) to an amount that is
27 less than the average amount of revenue used by the municipality for

1 that purpose during the 36-month period that precedes the
2 municipality's use of revenue under Subsection (b) or (c).

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