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H.B. No. 2386

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain municipalities or counties to
impose a facility use tax to finance venue projects.

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

SECTION 1. Chapter 334, Local Government Code, is amended
by adding Subchapter K to read as follows:

SUBCHAPTER K. LIVESTOCK FACILITY USE TAX

Sec. 334.401. DEFINITIONS. In this subchapter:

(1) "Designated facility" means an approved venue
project the principal use of which is for rodeos, livestock shows,
equestrian events, agricultural expositions, county fairs, or
similar events.

(2) "Event" means a rodeo or an agricultural,
equestrian or livestock show, fair, competition, exhibition, or
sale held on one or more consecutive days under the auspices of one
or more presenting or sponsoring organizations.

(3) "Stall or pen" means an enclosure or designated
space and tie point for the purpose of housing or holding livestock.

Sec. 334.402. APPLICABILITY. This subchapter applies only
to:

(1) a county in which the majority of the population of
two or more municipalities with a population of 300,000 or more are
located; or

(2) a municipality for which the majority of the

1 population is located in a county described by Subdivision (1).

2 Sec. 334.403. TAX AUTHORIZED. (a) A municipality or a
3 county may impose a facility use tax for the use or occupancy by
4 livestock of a stall or pen at a designated facility in that
5 municipality or county for which the municipality or county has
6 issued bonds to plan, acquire, establish, develop, construct, or
7 renovate.

8 (b) The municipality or county may impose the facility use
9 tax under this subchapter only at a designated facility that is an
10 approved venue project.

11 (c) A municipality or county may impose a tax under this
12 subchapter only if:

13 (1) the municipality or county issues bonds or other
14 obligations under Section 334.043, and those bonds or other
15 obligations are outstanding and unpaid; and

16 (2) the tax is approved at an election held under
17 Section 334.024.

18 Sec. 334.404. TAX RATE. (a) The tax authorized by this
19 subchapter is imposed on each stall or pen used or occupied at a
20 designated facility.

21 (b) The tax may be imposed at any uniform amount not to
22 exceed \$20 for each event.

23 (c) The ballot proposition at the election held to adopt the
24 tax must specify the maximum amount of the tax to be adopted.

25 (d) Different tax rates may be imposed based on the duration
26 of an event, except that the rate must be uniform for each event of
27 similar duration and the rate may not exceed the maximum rate

1 adopted by the voters.

2 (e) The municipality or the county may repeal, decrease, and
3 increase the rates of the tax imposed under this subchapter, except
4 that the tax may not be imposed at a rate exceeding the maximum rate
5 adopted by the voters.

6 Sec. 334.405. INCREASE IN MAXIMUM TAX RATE. (a) If the
7 voters of a municipality or county have approved a tax under this
8 subchapter at a rate of less than \$20 for each event, the
9 municipality or county may call an election for the approval of the
10 voters to increase the maximum tax rate. If a majority of the votes
11 cast at the election approve the new rate, the municipality or
12 county may increase the rate of the tax to the maximum rate
13 approved.

14 (b) The ballot for an election to increase the rate of the
15 tax shall be printed to permit voting for or against the
16 proposition: "The increase of the facility use tax for the purpose
17 of financing _____ (insert description of the designated
18 facility) to a maximum rate of _____ per event (insert new maximum
19 rate not to exceed \$20)."

20 Sec. 334.406. EXEMPTION. The municipality by ordinance or
21 the county by order may establish an exemption from the tax imposed
22 under this subchapter for the use or occupancy of stalls or pens at
23 a designated facility by livestock at a county junior livestock
24 show.

25 Sec. 334.407. NATURE OF TAX. (a) The tax imposed by this
26 subchapter is a debt owed to the owner or lessee of the designated
27 facility by the user or sublessee of the designated facility and is

1 recoverable at law.

2 (b) The tax imposed by this subchapter is not an occupation
3 tax imposed on the owner or lessee of the designated facility, the
4 user or the sublessee of the designated facility, the livestock, or
5 the owner of the livestock.

6 Sec. 334.408. EFFECTIVE DATE OF TAX. A tax imposed under
7 this subchapter or a change in a tax rate takes effect on the date
8 prescribed by the ordinance or order imposing the tax or changing
9 the rate.

10 Sec. 334.409. COLLECTION OF TAX. (a) The municipality or
11 county may require the owner or lessee of a designated facility in
12 the municipality or county to collect the tax for the benefit of the
13 municipality or county.

14 (b) A person required to collect a tax imposed under this
15 subchapter shall report and send the taxes to the municipality or
16 county as provided by the municipality or county imposing the tax.

17 (c) For a tax imposed under this subchapter, a municipality
18 or county may prescribe penalties, including interest charges, for
19 failure to keep records required by the municipality or county, to
20 report when required, or to pay the tax when due. An attorney
21 acting for the municipality or county may bring suit against a
22 person who fails to collect a tax under this subchapter and to pay
23 the tax to the municipality or county as required.

24 (d) A municipality or county may permit a person who is
25 required to collect a tax under this subchapter to retain a
26 percentage of the amount collected and required to be reported as
27 reimbursement to the person for the costs of collecting the tax.

1 The municipality or county may provide that the person may retain
2 the amount only if the person pays the tax and files reports as
3 required by the municipality or county.

4 Sec. 334.410. DEPOSIT OF TAX REVENUE. Revenue from the tax
5 imposed under this subchapter shall be deposited in the venue
6 project fund of the municipality or county imposing the tax.

7 SECTION 2. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2003.