

1-1 By: Hill, et al. (Senate Sponsor - Brimer) H.B. No. 2386
1-2 (In the Senate - Received from the House May 7, 2003;
1-3 May 9, 2003, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 20, 2003, reported favorably by
1-5 the following vote: Yeas 3, Nays 0; May 20, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the authority of certain municipalities or counties to
1-9 impose a facility use tax to finance venue projects.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 334, Local Government Code, is amended
1-12 by adding Subchapter K to read as follows:

1-13 SUBCHAPTER K. LIVESTOCK FACILITY USE TAX

1-14 Sec. 334.401. DEFINITIONS. In this subchapter:

1-15 (1) "Designated facility" means an approved venue
1-16 project the principal use of which is for rodeos, livestock shows,
1-17 equestrian events, agricultural expositions, county fairs, or
1-18 similar events.

1-19 (2) "Event" means a rodeo or an agricultural,
1-20 equestrian or livestock show, fair, competition, exhibition, or
1-21 sale held on one or more consecutive days under the auspices of one
1-22 or more presenting or sponsoring organizations.

1-23 (3) "Stall or pen" means an enclosure or designated
1-24 space and tie point for the purpose of housing or holding livestock.

1-25 Sec. 334.402. APPLICABILITY. This subchapter applies only
1-26 to:

1-27 (1) a county in which the majority of the population of
1-28 two or more municipalities with a population of 300,000 or more are
1-29 located; or

1-30 (2) a municipality for which the majority of the
1-31 population is located in a county described by Subdivision (1).

1-32 Sec. 334.403. TAX AUTHORIZED. (a) A municipality or a
1-33 county may impose a facility use tax for the use or occupancy by
1-34 livestock of a stall or pen at a designated facility in that
1-35 municipality or county for which the municipality or county has
1-36 issued bonds to plan, acquire, establish, develop, construct, or
1-37 renovate.

1-38 (b) The municipality or county may impose the facility use
1-39 tax under this subchapter only at a designated facility that is an
1-40 approved venue project.

1-41 (c) A municipality or county may impose a tax under this
1-42 subchapter only if:

1-43 (1) the municipality or county issues bonds or other
1-44 obligations under Section 334.043, and those bonds or other
1-45 obligations are outstanding and unpaid; and

1-46 (2) the tax is approved at an election held under
1-47 Section 334.024.

1-48 Sec. 334.404. TAX RATE. (a) The tax authorized by this
1-49 subchapter is imposed on each stall or pen used or occupied at a
1-50 designated facility.

1-51 (b) The tax may be imposed at any uniform amount not to
1-52 exceed \$20 for each event.

1-53 (c) The ballot proposition at the election held to adopt the
1-54 tax must specify the maximum amount of the tax to be adopted.

1-55 (d) Different tax rates may be imposed based on the duration
1-56 of an event, except that the rate must be uniform for each event of
1-57 similar duration and the rate may not exceed the maximum rate
1-58 adopted by the voters.

1-59 (e) The municipality or the county may repeal, decrease, and
1-60 increase the rates of the tax imposed under this subchapter, except
1-61 that the tax may not be imposed at a rate exceeding the maximum rate
1-62 adopted by the voters.

1-63 Sec. 334.405. INCREASE IN MAXIMUM TAX RATE. (a) If the
1-64 voters of a municipality or county have approved a tax under this

2-1 subchapter at a rate of less than \$20 for each event, the
2-2 municipality or county may call an election for the approval of the
2-3 voters to increase the maximum tax rate. If a majority of the votes
2-4 cast at the election approve the new rate, the municipality or
2-5 county may increase the rate of the tax to the maximum rate
2-6 approved.

2-7 (b) The ballot for an election to increase the rate of the
2-8 tax shall be printed to permit voting for or against the
2-9 proposition: "The increase of the facility use tax for the purpose
2-10 of financing _____ (insert description of the designated
2-11 facility) to a maximum rate of _____ per event (insert new maximum
2-12 rate not to exceed \$20)."

2-13 Sec. 334.406. EXEMPTION. The municipality by ordinance or
2-14 the county by order may establish an exemption from the tax imposed
2-15 under this subchapter for the use or occupancy of stalls or pens at
2-16 a designated facility by livestock at a county junior livestock
2-17 show.

2-18 Sec. 334.407. NATURE OF TAX. (a) The tax imposed by this
2-19 subchapter is a debt owed to the owner or lessee of the designated
2-20 facility by the user or sublessee of the designated facility and is
2-21 recoverable at law.

2-22 (b) The tax imposed by this subchapter is not an occupation
2-23 tax imposed on the owner or lessee of the designated facility, the
2-24 user or the sublessee of the designated facility, the livestock, or
2-25 the owner of the livestock.

2-26 Sec. 334.408. EFFECTIVE DATE OF TAX. A tax imposed under
2-27 this subchapter or a change in a tax rate takes effect on the date
2-28 prescribed by the ordinance or order imposing the tax or changing
2-29 the rate.

2-30 Sec. 334.409. COLLECTION OF TAX. (a) The municipality or
2-31 county may require the owner or lessee of a designated facility in
2-32 the municipality or county to collect the tax for the benefit of the
2-33 municipality or county.

2-34 (b) A person required to collect a tax imposed under this
2-35 subchapter shall report and send the taxes to the municipality or
2-36 county as provided by the municipality or county imposing the tax.

2-37 (c) For a tax imposed under this subchapter, a municipality
2-38 or county may prescribe penalties, including interest charges, for
2-39 failure to keep records required by the municipality or county, to
2-40 report when required, or to pay the tax when due. An attorney
2-41 acting for the municipality or county may bring suit against a
2-42 person who fails to collect a tax under this subchapter and to pay
2-43 the tax to the municipality or county as required.

2-44 (d) A municipality or county may permit a person who is
2-45 required to collect a tax under this subchapter to retain a
2-46 percentage of the amount collected and required to be reported as
2-47 reimbursement to the person for the costs of collecting the tax.
2-48 The municipality or county may provide that the person may retain
2-49 the amount only if the person pays the tax and files reports as
2-50 required by the municipality or county.

2-51 Sec. 334.410. DEPOSIT OF TAX REVENUE. Revenue from the tax
2-52 imposed under this subchapter shall be deposited in the venue
2-53 project fund of the municipality or county imposing the tax.

2-54 SECTION 2. This Act takes effect immediately if it receives
2-55 a vote of two-thirds of all the members elected to each house, as
2-56 provided by Section 39, Article III, Texas Constitution. If this
2-57 Act does not receive the vote necessary for immediate effect, this
2-58 Act takes effect September 1, 2003.

2-59 * * * * *