

AN ACT

relating to the use of municipal hotel occupancy taxes by certain municipalities.

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

SECTION 1. Section 351.101(a), Tax Code, is amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording,

1 and other arts related to the presentation, performance, execution,
2 and exhibition of these major art forms;

3 (5) historical restoration and preservation projects
4 or activities or advertising and conducting solicitations and
5 promotional programs to encourage tourists and convention
6 delegates to visit preserved historic sites or museums:

7 (A) at or in the immediate vicinity of convention
8 center facilities or visitor information centers; or

9 (B) located elsewhere in the municipality or its
10 vicinity that would be frequented by tourists and convention
11 delegates; and

12 (6) for a municipality located in a county with a
13 population of 250,000 [~~65,000~~] or less, expenses, including
14 promotion expenses, directly related to a sporting event in which
15 the majority of participants are tourists who substantially
16 increase economic activity at hotels and motels within the
17 municipality or its vicinity.

18 SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended
19 by adding Section 351.1035 to read as follows:

20 Sec. 351.1035. ALLOCATION OF REVENUE: CERTAIN
21 MUNICIPALITIES IN BORDER COUNTIES. (a) This section applies only
22 to a municipality that is the largest municipality in a county
23 described by Section 352.002(a)(14).

24 (b) At least 50 percent of the hotel occupancy tax revenue
25 collected by a municipality described by Subsection (a) must be
26 allocated for the purposes provided by Section 351.101(a)(3).

27 (c) Not more than 15 percent of the hotel occupancy tax

1 revenue collected by a municipality described by Subsection (a) may
2 be used for the purposes provided by Section 351.101(a)(4).

3 (d) Not more than 15 percent of the hotel occupancy tax
4 revenue collected by a municipality described by Subsection (a) may
5 be used for the purposes provided by Section 351.101(a)(5).

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I certify that H.B. No. 2961 was passed by the House on May 6, 2003, by the following vote: Yeas 140, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2961 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor