

1-1 By: Krusee (Senate Sponsor - Armbrister) H.B. No. 2961  
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 23, 2003, reported favorably by  
1-5 the following vote: Yeas 4, Nays 0; May 23, 2003, sent to printer.)

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

1-8 relating to the use of municipal hotel occupancy taxes by certain  
1-9 municipalities.

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

1-11 SECTION 1. Section 351.101(a), Tax Code, is amended to read  
1-12 as follows:

1-13 (a) Revenue from the municipal hotel occupancy tax may be  
1-14 used only to promote tourism and the convention and hotel industry,  
1-15 and that use is limited to the following:

1-16 (1) the acquisition of sites for and the construction,  
1-17 improvement, enlarging, equipping, repairing, operation, and  
1-18 maintenance of convention center facilities or visitor information  
1-19 centers, or both;

1-20 (2) the furnishing of facilities, personnel, and  
1-21 materials for the registration of convention delegates or  
1-22 registrants;

1-23 (3) advertising and conducting solicitations and  
1-24 promotional programs to attract tourists and convention delegates  
1-25 or registrants to the municipality or its vicinity;

1-26 (4) the encouragement, promotion, improvement, and  
1-27 application of the arts, including instrumental and vocal music,  
1-28 dance, drama, folk art, creative writing, architecture, design and  
1-29 allied fields, painting, sculpture, photography, graphic and craft  
1-30 arts, motion pictures, radio, television, tape and sound recording,  
1-31 and other arts related to the presentation, performance, execution,  
1-32 and exhibition of these major art forms;

1-33 (5) historical restoration and preservation projects  
1-34 or activities or advertising and conducting solicitations and  
1-35 promotional programs to encourage tourists and convention  
1-36 delegates to visit preserved historic sites or museums:

1-37 (A) at or in the immediate vicinity of convention  
1-38 center facilities or visitor information centers; or

1-39 (B) located elsewhere in the municipality or its  
1-40 vicinity that would be frequented by tourists and convention  
1-41 delegates; and

1-42 (6) for a municipality located in a county with a  
1-43 population of 250,000 [~~65,000~~] or less, expenses, including  
1-44 promotion expenses, directly related to a sporting event in which  
1-45 the majority of participants are tourists who substantially  
1-46 increase economic activity at hotels and motels within the  
1-47 municipality or its vicinity.

1-48 SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended  
1-49 by adding Section 351.1035 to read as follows:

1-50 Sec. 351.1035. ALLOCATION OF REVENUE: CERTAIN  
1-51 MUNICIPALITIES IN BORDER COUNTIES. (a) This section applies only  
1-52 to a municipality that is the largest municipality in a county  
1-53 described by Section 352.002(a)(14).

1-54 (b) At least 50 percent of the hotel occupancy tax revenue  
1-55 collected by a municipality described by Subsection (a) must be  
1-56 allocated for the purposes provided by Section 351.101(a)(3).

1-57 (c) Not more than 15 percent of the hotel occupancy tax  
1-58 revenue collected by a municipality described by Subsection (a) may  
1-59 be used for the purposes provided by Section 351.101(a)(4).

1-60 (d) Not more than 15 percent of the hotel occupancy tax  
1-61 revenue collected by a municipality described by Subsection (a) may  
1-62 be used for the purposes provided by Section 351.101(a)(5).

1-63 SECTION 3. This Act takes effect immediately if it receives  
1-64 a vote of two-thirds of all the members elected to each house, as

2-1 provided by Section 39, Article III, Texas Constitution. If this  
2-2 Act does not receive the vote necessary for immediate effect, this  
2-3 Act takes effect September 1, 2003.

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