

By: Krusee

H.B. No. 1734

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy taxes for the enhancement and upgrading of sports facilities and fields 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

1 arts, motion pictures, radio, television, tape and sound recording,
2 and other arts related to the presentation, performance, execution,
3 and exhibition of these major art forms;

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

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

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

13 (6) for a municipality located in a county with a
14 population of one million ~~[290,000]~~ or less, expenses, including
15 promotion expenses, directly related to a sporting event in which
16 the majority of participants are tourists who substantially
17 increase economic activity at hotels and motels within the
18 municipality or its vicinity; and

19 (7) subject to Section 351.1076, the promotion of
20 tourism by the enhancement and upgrading of existing sports
21 facilities or fields, including facilities or fields for baseball,
22 softball, soccer, and flag football, if:

23 (A) the municipality owns the facilities or
24 fields;

25 (B) the municipality has a population of 80,000
26 or more and is located in a county that has a population of 350,000
27 or less; and

1 (C) the sports facilities and fields have been
2 used, in the preceding calendar year, a combined total of more than
3 10 times for district, state, regional, or national sports
4 tournaments.

5 SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended
6 by adding Section 351.1076 to read as follows:

7 Sec. 351.1076. ALLOCATION OF REVENUE: CERTAIN
8 MUNICIPALITIES. (a) A municipality that spends municipal hotel
9 occupancy tax revenue for the enhancement and upgrading of existing
10 sports facilities or fields as authorized by Section 351.101(a)(7):

11 (1) shall determine the amount of municipal hotel
12 occupancy tax revenue generated for the municipality by hotel
13 activity attributable to the sports events and tournaments held on
14 the enhanced or upgraded facilities or fields for five years after
15 the date the enhancements and upgrades are completed; and

16 (2) may not spend hotel occupancy tax revenue for the
17 enhancement and upgrading of the facilities or fields in a total
18 amount that exceeds the amount of area hotel revenue attributable
19 to the enhancements and upgrades.

20 (b) The municipality shall reimburse from the
21 municipality's general fund any expenditure in excess of the amount
22 of area hotel revenue attributable to the enhancements and upgrades
23 to the municipality's hotel occupancy tax revenue fund.

24 SECTION 3. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

H.B. No. 1734

1 Act takes effect September 1, 2005.