

By: Krusee (Senate Sponsor - Ogden) H.B. No. 1734
(In the Senate - Received from the House April 22, 2005;
April 25, 2005, read first time and referred to Subcommittee on
Emerging Technologies and Economic Development; May 6, 2005,
reported adversely, with favorable Committee Substitute to
Committee on Business and Commerce; May 11, 2005, reported
adversely, with favorable Committee Substitute from Committee on
Business and Commerce by the following vote: Yeas 8, Nays 0;
May 11, 2005, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 1734 By: Brimer

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

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

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

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

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

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

(A) the municipality owns the facilities or
fields;

(B) the municipality:
(i) has a population of 80,000 or more and
is located in a county that has a population of 350,000 or less; or
(ii) has a population of at least 65,000 but

not more than 70,000 and is located in a county that has a population of 155,000 or less; and

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

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

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

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

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

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

SECTION 3. Subchapter C, Chapter 334, Local Government Code, is amended by adding Section 334.045 to read as follows:

Sec. 334.045. PUBLIC SQUARE OR MUNICIPAL PARK. Section 253.001(b) does not apply to the sale or lease of a public square or municipal park for the acquisition, establishment, development, construction, or renovation of an approved venue project.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.

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