

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Maldonado, Olivo, Martinez, Farias,  
Alvarado, et al.

H.B. No. 1789

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the use of municipal hotel occupancy tax revenue to  
3 enhance and upgrade sports facilities in certain municipalities.

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

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

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

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

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

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

20 (4) the encouragement, promotion, improvement, and  
21 application of the arts, including instrumental and vocal music,  
22 dance, drama, folk art, creative writing, architecture, design and  
23 allied fields, painting, sculpture, photography, graphic and craft  
24 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;

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

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

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

24 (B) the municipality:

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

27 (ii) has a population of at least 65,000 but

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

3 (iii) has a population of at least 34,000  
4 but not more than 36,000 and is located in a county that has a  
5 population of 90,000 or less;

6 (iv) has a population of at least 13,000 but  
7 less than 39,000 and is located in a county that has a population of  
8 at least 200,000; or

9 (v) has a population of at least 65,000 but  
10 less than 80,000 and no part of which is located in a county with a  
11 population greater than 150,000; and

12 (C) the sports facilities and fields have been  
13 used, in the preceding calendar year, a combined total of more than  
14 10 times for district, state, regional, or national sports  
15 tournaments; and

16 (8) for a municipality with a population of at least  
17 65,000 but less than 80,000, no part of which is located in a county  
18 with a population greater than 150,000, the construction,  
19 improvement, enlarging, equipping, repairing, operation, and  
20 maintenance of a coliseum or multiuse facility.

21 SECTION 2. This Act takes effect immediately if it receives  
22 a vote of two-thirds of all the members elected to each house, as  
23 provided by Section 39, Article III, Texas Constitution. If this  
24 Act does not receive the vote necessary for immediate effect, this  
25 Act takes effect September 1, 2009.

**ADOPTED**

MAY 18 2009

*Atty. Gen.*  
Secretary of the Senate

By: MARIONADO / OGDEN

H.B. No. 1789

Substitute the following for H.B. No. 1789:

By: Thule of Dutton

C.S. H.B. No. 1789

A BILL TO BE ENTITLED

AN ACT

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relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities, coliseums, and multiuse facilities in 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;

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

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

1 (ii) has a population of at least 65,000 but  
2 not more than 70,000 and is located in a county that has a  
3 population of 155,000 or less; [~~or~~]

4 (iii) has a population of at least 34,000  
5 but not more than 36,000 and is located in a county that has a  
6 population of 90,000 or less;

7 (iv) has a population of at least 13,000 but  
8 less than 39,000 and is located in a county that has a population of  
9 at least 200,000; or

10 (v) has a population of at least 65,000 but  
11 less than 80,000 and no part of which is located in a county with a  
12 population greater than 150,000; and

13 (C) the sports facilities and fields have been  
14 used, in the preceding calendar year, a combined total of more than  
15 10 times for district, state, regional, or national sports  
16 tournaments; and

17 (8) for a municipality with a population of at least  
18 65,000 but less than 80,000, no part of which is located in a county  
19 with a population greater than 150,000, the construction,  
20 improvement, enlarging, equipping, repairing, operation, and  
21 maintenance of a coliseum or multiuse facility.

22 SECTION 2. Section 351.003, Tax Code, is amended by adding  
23 Subsection (d) to read as follows:

24 (d) The rate for a municipality with a population of at  
25 least 65,000 but less than 80,000, no part of which is located in a  
26 county with a population greater than 150,000, that intends to  
27 construct, improve, enlarge, equip, repair, operate, and maintain a

1 coliseum or multiuse facility may not exceed nine percent of the  
2 price paid for a room. Projects funded with said rate shall be  
3 determined to have a substantial impact on hotel activity.

4 SECTION 3. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2009.

# ADOPTED

FLOOR AMENDMENT NO. 1

MAY 18 2009

BY: Ogden

*Atay Spaw*  
Secretary of the Senate

- 1 Amend C.S.H.B. No. 1789, in SECTION 2 of the bill, on page
- 2 2, by striking lines 20-26.



**ADOPTED**

FLOOR AMENDMENT NO. 2

MAY 18 2009

BY: J. J. Ariz

*Atay Law*  
Secretary of the Senate

1 Amend C.S.H.B. No. 1789 (senate committee report) in  
2 SECTION 1 of the bill as follows:

3 (1) In amended Section 351.101(a)(7)(B)(iv), Tax Code (page  
4 2, line 5), following the semicolon, strike "or".

5 (2) In amended Section 351.101(a)(7)(B)(v), Tax Code (page  
6 2, line 8), following the semicolon, strike "and" and substitute  
7 "or".

8 (3) At the end of amended Section 351.101(a)(7)(B), Tax  
9 Code (page 2, between lines 8 and 9), insert the following:

- 10 (vi) is located in a county that:
- 11 (a) is adjacent to the Texas-Mexico
- 12 border;
- 13 (b) has a population of at least
- 14 500,000; and
- 15 (c) does not have a municipality with a
- 16 population greater than 500,000; and



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 19, 2009**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities, coliseums, and multiuse facilities in certain municipalities.), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 351.101 of the Tax Code to add certain municipalities to the entities authorized to use revenue from a municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields.

**Local Government Impact**

For a municipality affected by the proposed change to Section 351.101, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used for enhancing and upgrading existing sports facilities or fields.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, DB, JRO, JB, MN



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 13, 2009**

**TO:** Honorable Chris Harris, Chair, Senate Committee on Economic Development

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** **HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities, coliseums, and multiuse facilities in certain municipalities.), **Committee Report 2nd House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 351.101 of the Tax Code to add certain municipalities to the entities authorized to use revenue from a municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields.

The bill would also amend Section 351.003, Tax Code, to authorize a certain municipality to impose a rate for a local hotel tax not to exceed 9 percent of the price paid for the room.

**Local Government Impact**

For a municipality affected by the proposed change to Section 351.101, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used for enhancing and upgrading existing sports facilities or fields.

Based on applicability of the criteria within the proposed change to Section 351.003, the change would apply only to the City of Longview. Because that portion of the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, DB, JRO, JB, MN



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 8, 2009**

**TO:** Honorable Chris Harris, Chair, Senate Committee on Economic Development

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

The bill would amend the Tax Code to add certain municipalities to the entities authorized to use revenue from a municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields.

**Local Government Impact**

For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used for enhancing and upgrading existing sports facilities or fields.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, JRO, JB, MN, DB





LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 4, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend the Tax Code to add a municipality with a population of at least 13,000 but less than 39,000 that is located in a county that has a population of at least 200,000 to the entities authorized to use revenue from a municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields.

**Local Government Impact**

For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used for enhancing and upgrading existing sports facilities or fields.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, DB

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**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 31, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend the Tax Code to add a municipality with a population of at least 13,000 but less than 34,000 that is located in a county that has a population of at least 200,000 to the entities authorized to use revenue from a municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields.

**Local Government Impact**

For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used for enhancing and upgrading existing sports facilities or fields.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, DB

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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**TAX/FEE EQUITY NOTE**

**81ST LEGISLATIVE REGULAR SESSION**

**April 5, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities. ), **Committee Report 1st House, Substituted**

Because the bill would not create or impact a state tax or fee, no comment from this office is required by the rules of the House as to the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

**Source Agencies:**

**LBB Staff:** JOB, MN

  
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**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**TAX/FEE EQUITY NOTE**

**81ST LEGISLATIVE REGULAR SESSION**

**March 31, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1789** by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.), **As Introduced**

Because the bill would not create or impact a state tax or fee, no comment from this office is required by the rules of the House as to the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

**Source Agencies:**

**LBB Staff:** JOB, MN

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