

AN ACT

relating to the use of municipal hotel occupancy tax revenue in certain municipalities.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1066 to read as follows:

Sec. 351.1066. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) This section applies only to:

(1) a municipality with a population of at least 3,500 but less than 5,500 that is the county seat of a county with a population of less than 50,000 that borders a county with a population of more than 1.6 million; and

(2) a municipality with a population of at least 2,900 but less than 3,500 that is the county seat of a county with a population of less than 22,000 that is bordered by the Trinity River and includes a state park and a portion of a wildlife management area.

(b) Notwithstanding any other provision of this chapter, a municipality to which this section applies may use all or any portion of the revenue derived from the municipal hotel occupancy tax for:

(1) a business recruitment project to substantially enhance hotel activity and encourage tourism; and

(2) the construction, enlarging, equipping,

1 improvement, maintenance, repairing, and operation of a
2 recreational facility to substantially enhance hotel activity and
3 encourage tourism.

4 SECTION 2. Section 351.003, Tax Code, is amended by adding
5 Subsections (e) and (f) to read as follows:

6 (e) The rate in a municipality that has a population of more
7 than 95,000 and is in a county that borders Lake Palestine and has a
8 population of more than 200,000 may not exceed nine percent of the
9 price paid for a room. The municipality shall allocate for the
10 construction, expansion, maintenance, or operation of convention
11 center facilities all revenue received by the municipality that is
12 derived from the application of the tax at a rate of more than seven
13 percent of the price paid for a room in a hotel.

14 (f) The rate in a municipality that has a population of at
15 least 80,000 and is partly located in a county that borders the
16 State of Louisiana and has a population of at least 60,000 may not
17 exceed nine percent of the price paid for a room. The municipality
18 shall allocate for the construction, expansion, maintenance, or
19 operation of convention center facilities all revenue received by
20 the municipality that is derived from the application of the tax at
21 a rate of more than seven percent of the price paid for a room in a
22 hotel.

23 SECTION 3. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I certify that H.B. No. 1315 was passed by the House on May 5, 2011, by the following vote: Yeas 146, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1315 on May 24, 2011, by the following vote: Yeas 132, Nays 6, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1315 was passed by the Senate, with amendments, on May 21, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor