

1-1 By: Isaac (Senate Sponsor - Zaffirini) H.B. No. 3615
 1-2 (In the Senate - Received from the House May 13, 2015;
 1-3 May 13, 2015, read first time and referred to Committee on Natural
 1-4 Resources and Economic Development; May 22, 2015, reported
 1-5 adversely, with favorable Committee Substitute by the following
 1-6 vote: Yeas 11, Nays 0; May 22, 2015, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | X | | | |
| 1-13 | X | | | |
| 1-14 | X | | | |
| 1-15 | X | | | |
| 1-16 | X | | | |
| 1-17 | X | | | |
| 1-18 | X | | | |
| 1-19 | X | | | |

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 3615 By: Zaffirini

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the use of hotel occupancy tax revenues in certain
 1-24 municipalities and the authority of certain counties to impose a
 1-25 county hotel occupancy tax; authorizing the imposition of a tax.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. Section 351.101(a), Tax Code, as amended by
 1-28 Chapters 541 (S.B. 551) and 546 (S.B. 585), Acts of the 83rd
 1-29 Legislature, Regular Session, 2013, is reenacted and amended to
 1-30 read as follows:

1-31 (a) Revenue from the municipal hotel occupancy tax may be
 1-32 used only to promote tourism and the convention and hotel industry,
 1-33 and that use is limited to the following:

1-34 (1) the acquisition of sites for and the construction,
 1-35 improvement, enlarging, equipping, repairing, operation, and
 1-36 maintenance of convention center facilities or visitor information
 1-37 centers, or both;

1-38 (2) the furnishing of facilities, personnel, and
 1-39 materials for the registration of convention delegates or
 1-40 registrants;

1-41 (3) advertising and conducting solicitations and
 1-42 promotional programs to attract tourists and convention delegates
 1-43 or registrants to the municipality or its vicinity;

1-44 (4) the encouragement, promotion, improvement, and
 1-45 application of the arts, including instrumental and vocal music,
 1-46 dance, drama, folk art, creative writing, architecture, design and
 1-47 allied fields, painting, sculpture, photography, graphic and craft
 1-48 arts, motion pictures, radio, television, tape and sound recording,
 1-49 and other arts related to the presentation, performance, execution,
 1-50 and exhibition of these major art forms;

1-51 (5) historical restoration and preservation projects
 1-52 or activities or advertising and conducting solicitations and
 1-53 promotional programs to encourage tourists and convention
 1-54 delegates to visit preserved historic sites or museums:

1-55 (A) at or in the immediate vicinity of convention
 1-56 center facilities or visitor information centers; or

1-57 (B) located elsewhere in the municipality or its
 1-58 vicinity that would be frequented by tourists and convention
 1-59 delegates;

1-60 (6) for a municipality located in a county with a

2-1 population of one million or less, expenses, including promotion
 2-2 expenses, directly related to a sporting event in which the
 2-3 majority of participants are tourists who substantially increase
 2-4 economic activity at hotels and motels within the municipality or
 2-5 its vicinity;

2-6 (7) subject to Section 351.1076, the promotion of
 2-7 tourism by the enhancement and upgrading of existing sports
 2-8 facilities or fields, including facilities or fields for baseball,
 2-9 softball, soccer, ~~and~~ flag football, and rodeos, if:

2-10 (A) the municipality owns the facilities or
 2-11 fields;

2-12 (B) the municipality:

2-13 (i) has a population of 80,000 or more and
 2-14 is located in a county that has a population of 350,000 or less;

2-15 (ii) has a population of at least 75,000 but
 2-16 not more than 95,000 and is located in a county that has a
 2-17 population of less than 200,000 but more than 160,000;

2-18 (iii) has a population of at least 36,000
 2-19 but not more than 39,000 and is located in a county that has a
 2-20 population of 100,000 or less that is not adjacent to a county with
 2-21 a population of more than two million;

2-22 (iv) has a population of at least 13,000 but
 2-23 less than 39,000 and is located in a county that has a population of
 2-24 at least 200,000;

2-25 (v) has a population of at least 70,000 but
 2-26 less than 90,000 and no part of which is located in a county with a
 2-27 population greater than 150,000;

2-28 (vi) is located in a county that:

2-29 (a) is adjacent to the Texas-Mexico
 2-30 border;

2-31 (b) has a population of at least
 2-32 500,000; and

2-33 (c) does not have a municipality with
 2-34 a population greater than 500,000;

2-35 (vii) has a population of at least 25,000
 2-36 but not more than 26,000 and is located in a county that has a
 2-37 population of 90,000 or less; ~~or~~

2-38 (viii) has a population of at least 7,500
 2-39 and is located in a county that borders the Pecos River and that has
 2-40 a population of not more than 15,000;

2-41 (ix) [~~viii~~] is located in a county that
 2-42 has a population of not more than 300,000 and in which a component
 2-43 university of the University of Houston System is located; or

2-44 (x) has a population of at least 40,000 and
 2-45 the San Marcos River flows through the municipality; and

2-46 (C) the sports facilities and fields have been
 2-47 used, in the preceding calendar year, a combined total of more than
 2-48 10 times for district, state, regional, or national sports
 2-49 tournaments;

2-50 (8) for a municipality with a population of at least
 2-51 70,000 but less than 90,000, no part of which is located in a county
 2-52 with a population greater than 150,000, the construction,
 2-53 improvement, enlarging, equipping, repairing, operation, and
 2-54 maintenance of a coliseum or multiuse facility;

2-55 (9) signage directing the public to sights and
 2-56 attractions that are visited frequently by hotel guests in the
 2-57 municipality;

2-58 (10) the construction of a recreational venue in the
 2-59 immediate vicinity of area hotels, if:

2-60 (A) the municipality:

2-61 (i) is a general-law municipality;

2-62 (ii) has a population of not more than 900;

2-63 and

2-64 (iii) does not impose an ad valorem tax;

2-65 (B) not more than \$100,000 of municipal hotel
 2-66 occupancy tax revenue is used for the construction of the
 2-67 recreational venue;

2-68 (C) a majority of the hotels in the municipality
 2-69 request the municipality to construct the recreational venue;

3-1 (D) the recreational venue will be used primarily
3-2 by hotel guests; and

3-3 (E) the municipality will pay for maintenance of
3-4 the recreational venue from the municipality's general fund;

3-5 (11) the construction, improvement, enlarging,
3-6 equipping, repairing, operation, and maintenance of a coliseum or
3-7 multiuse facility, if the municipality:

3-8 (A) has a population of at least 90,000 but less
3-9 than 120,000; and

3-10 (B) is located in two counties, at least one of
3-11 which contains the headwaters of the San Gabriel River; and

3-12 (12) for a municipality with a population of more than
3-13 175,000 but less than 225,000 that is located in two counties, each
3-14 of which has a population of less than 200,000, the construction,
3-15 improvement, enlarging, equipping, repairing, operation, and
3-16 maintenance of a coliseum or multiuse facility and related
3-17 infrastructure or a venue, as defined by Section 334.001(4), Local
3-18 Government Code, that is related to the promotion of tourism.

3-19 SECTION 2. Section 351.101, Tax Code, is amended by adding
3-20 Subsection (k) to read as follows:

3-21 (k) In addition to other authorized uses, a municipality
3-22 that is intersected by both State Highways 71 and 95 may use revenue
3-23 from the municipal hotel occupancy tax for the promotion of tourism
3-24 by the enhancement and upgrading of an existing sports facility or
3-25 field as specified by Subsection (a)(7), provided that the
3-26 requirements of Subsections (a)(7)(A) and (C) are met.

3-27 SECTION 3. Section 352.002, Tax Code, is amended by adding
3-28 Subsection (n) to read as follows:

3-29 (n) The commissioners court of a county with a population of
3-30 more than 300,000 and in which there is located all or part of the
3-31 most populous military installation in this state may impose a tax
3-32 as provided by Subsection (a).

3-33 SECTION 4. Section 352.003, Tax Code, is amended by adding
3-34 Subsection (p) to read as follows:

3-35 (p) In a county authorized to impose the tax under Section
3-36 352.002(n), the county tax rate in relation to a hotel located in a
3-37 municipality that imposes a tax under Chapter 351 may not exceed a
3-38 rate that, when added to the rate of the tax imposed by the
3-39 municipality under Chapter 351, exceeds the sum of the rate
3-40 prescribed by Section 351.003(a) plus two percent.

3-41 SECTION 5. To the extent of any conflict, this Act prevails
3-42 over another Act of the 84th Legislature, Regular Session, 2015,
3-43 relating to nonsubstantive additions to and corrections in enacted
3-44 codes.

3-45 SECTION 6. This Act takes effect immediately if it receives
3-46 a vote of two-thirds of all the members elected to each house, as
3-47 provided by Section 39, Article III, Texas Constitution. If this
3-48 Act does not receive the vote necessary for immediate effect, this
3-49 Act takes effect September 1, 2015.

3-50 * * * * *