

By: Raney

H.B. No. 3629

A BILL TO BE ENTITLED

AN ACT

relating to use and allocation of municipal hotel occupancy tax revenues for certain municipalities.

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

SECTION 1. Section 351.101, Tax Code, is amended by adding Subsection (i) to read as follows:

(i) In addition to the purposes provided by Subsection (a), a municipality that has a population of at least 75,000 but not more than 95,000 and that is located in a county that has a population of more than 160,000 but less than 200,000 may use revenue from the municipal hotel tax to promote tourism and the convention and hotel industry by constructing, operating, or expanding a sporting related facility or sports field owned by the municipality, if the majority of the events at the facility or fields are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in the municipality.

SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1078 to read as follows:

Sec. 351.1078. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) A municipality that spends municipal hotel occupancy tax revenue as authorized by Section 351.101(a)(7)(B)(ii) or (i):

(1) may not use municipal hotel occupancy tax revenue

1 for the acquisition of land for the sports facility or sports fields  
2 described by those provisions;

3 (2) shall annually determine and prepare a report on  
4 the events held at the facility or fields, the number of hotel room  
5 nights attributable to events held at the facility or fields, and  
6 the amount of hotel revenue and municipal tax revenue attributable  
7 to the sports events and tournaments held at the facilities or  
8 fields for five years after the date the construction, operation,  
9 expansion, or upgrade expenditures are completed; and

10 (3) may only spend hotel occupancy tax revenue for  
11 operational expenses of the facility or fields if the costs are  
12 directly related to a sporting event in which the majority of  
13 participants are tourists who substantially increase economic  
14 activity at hotels in or near the municipality.

15 (b) The municipality shall reimburse to the municipality's  
16 hotel occupancy tax revenue fund from the municipality's general  
17 fund any expenditure in excess of the amount of area hotel revenue  
18 attributable to the construction, operation, expansion, and  
19 upgrade of the sports facility or sports fields described by  
20 Sections [351.101](#)(a)(7)(B)(ii) and (i).

21 SECTION 3. 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, 2015.