

By: Nevárez

H.B. No. 3772

Substitute the following for H.B. No. 3772:

By: Martinez Fischer

C.S.H.B. No. 3772

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the use of municipal hotel occupancy tax revenue to
3 construct, enhance, upgrade, and maintain arenas, sports
4 facilities, and fields in certain municipalities.

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

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

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

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

17 (2) the furnishing of facilities, personnel, and
18 materials for the registration of convention delegates or
19 registrants;

20 (3) advertising and conducting solicitations and
21 promotional programs to attract tourists and convention delegates
22 or registrants to the municipality or its vicinity;

23 (4) the encouragement, promotion, improvement, and
24 application of the arts, including instrumental and vocal music,

1 dance, drama, folk art, creative writing, architecture, design and
2 allied fields, painting, sculpture, photography, graphic and craft
3 arts, motion pictures, radio, television, tape and sound recording,
4 and other arts related to the presentation, performance, execution,
5 and exhibition of these major art forms;

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

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

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

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

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

25 (A) the municipality owns the facilities or
26 fields;

27 (B) the municipality:

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

3 (ii) has a population of at least 75,000 but
4 not more than 95,000 and is located in a county that has a
5 population of less than 200,000 but more than 160,000;

6 (iii) has a population of at least 36,000
7 but not more than 39,000 and is located in a county that has a
8 population of 100,000 or less that is not adjacent to a county with
9 a population of more than two million;

10 (iv) has a population of at least 13,000 but
11 less than 39,000 and is located in a county that has a population of
12 at least 200,000;

13 (v) has a population of at least 70,000 but
14 less than 90,000 and no part of which is located in a county with a
15 population greater than 150,000;

16 (vi) is located in a county that:

17 (a) is adjacent to the Texas-Mexico
18 border;

19 (b) has a population of at least
20 500,000; and

21 (c) does not have a municipality with
22 a population greater than 500,000;

23 (vii) has a population of at least 25,000
24 but not more than 26,000 and is located in a county that has a
25 population of 90,000 or less; or

26 ~~[(viii) has a population of at least 7,500~~
27 ~~and is located in a county that borders the Pecos River and that has~~

1 ~~a population of not more than 15,000,~~

2 (viii) is located in a county that has a
3 population of not more than 300,000 and in which a component
4 university of the University of Houston System is located; and

5 (C) the sports facilities and fields have been
6 used, in the preceding calendar year, a combined total of more than
7 10 times for district, state, regional, or national sports
8 tournaments;

9 (8) for a municipality with a population of at least
10 70,000 but less than 90,000, no part of which is located in a county
11 with a population greater than 150,000, the construction,
12 improvement, enlarging, equipping, repairing, operation, and
13 maintenance of a coliseum or multiuse facility;

14 (9) signage directing the public to sights and
15 attractions that are visited frequently by hotel guests in the
16 municipality;

17 (10) ~~[the construction of a recreational venue in the
18 immediate vicinity of area hotels, if:~~

19 ~~[(A) the municipality:~~

20 ~~[(i) is a general-law municipality,~~

21 ~~[(ii) has a population of not more than 900,~~

22 ~~and~~

23 ~~[(iii) does not impose an ad valorem tax,~~

24 ~~[(B) not more than \$100,000 of municipal hotel
25 occupancy tax revenue is used for the construction of the
26 recreational venue,~~

27 ~~[(C) a majority of the hotels in the municipality~~

1 ~~request the municipality to construct the recreational venue,~~

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

4 ~~[(E) the municipality will pay for maintenance of~~
5 ~~the recreational venue from the municipality's general fund;~~

6 ~~[(11)]~~ the construction, improvement, enlarging,
7 equipping, repairing, operation, and maintenance of a coliseum or
8 multiuse facility, if the municipality:

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

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

13 (11) ~~[(12)]~~ for a municipality with a population of
14 more than 175,000 but less than 225,000 that is located in two
15 counties, each of which has a population of less than 200,000, the
16 construction, improvement, enlarging, equipping, repairing,
17 operation, and maintenance of a coliseum or multiuse facility and
18 related infrastructure or a venue, as defined by Section
19 [334.001\(4\)](#), Local Government Code, that is related to the promotion
20 of tourism.

21 SECTION 2. Section [351.1066](#), Tax Code, is amended to read as
22 follows:

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

25 (1) a municipality with a population of at least 3,500
26 but less than 5,500 that is the county seat of a county with a
27 population of less than 50,000 that borders a county with a

1 population of more than 1.6 million; ~~and~~

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

7 (3) a municipality with a population of at least 7,500
8 that is located in a county that borders the Pecos River and that
9 has a population of not more than 15,000;

10 (4) a municipality with a population of not more than
11 5,000 that is located in a county through which the Frio River flows
12 and an interstate highway crosses, and that has a population of at
13 least 15,000; and

14 (5) a municipality with a population of not less than
15 7,500 that is located in a county with a population of not less than
16 40,000 but less than 250,000 that is adjacent to a county with a
17 population of less than 750.

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

22 (1) ~~[a business recruitment project to substantially~~
23 ~~enhance hotel activity and encourage tourism, and~~

24 ~~[(2)]~~ the construction, enlarging, equipping,
25 improvement, maintenance, repairing, and operation of a
26 recreational facility to substantially enhance hotel activity and
27 encourage tourism; and

1 (2) the construction, enlarging, equipping,
2 improvement, maintenance, repairing, and operation of an arena used
3 for rodeos, livestock shows, and agricultural expositions to
4 substantially enhance hotel activity and encourage tourism.

5 (c) A municipality to which this section applies may not use
6 municipal hotel tax revenue to construct or expand a facility
7 described by Subsection (b) in an amount that would exceed the
8 amount of hotel revenue in the area that is likely to be reasonably
9 attributable to events held at that facility during the 15-year
10 period beginning on the date the construction or expansion is
11 completed.

12 (d) An independent analyst or consultant hired by the
13 municipality must make the projection required by Subsection (c).

14 (e) A municipality that uses municipal hotel occupancy tax
15 revenue under this section shall annually prepare a report that
16 describes:

17 (1) the events held during the preceding year at each
18 facility that received municipal hotel occupancy tax revenue from
19 the municipality during that year; and

20 (2) the number of hotel room nights, hotel revenue,
21 and municipal hotel occupancy tax revenue attributable to those
22 events.

23 SECTION 3. To the extent of any conflict, this Act prevails
24 over another Act of the 84th Legislature, Regular Session, 2015,
25 relating to nonsubstantive additions to and corrections in enacted
26 codes.

27 SECTION 4. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2015.