

1-1 By: Nevárez, Guillen (Senate Sponsor - Uresti) H.B. No. 3772
 1-2 (In the Senate - Received from the House May 13, 2015;
 1-3 May 14, 2015, read first time and referred to Committee on Natural
 1-4 Resources and Economic Development; May 22, 2015, reported
 1-5 favorably by the following vote: Yeas 10, Nays 0; May 22, 2015,
 1-6 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 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to the use of municipal hotel occupancy tax revenue to
 1-23 construct, enhance, upgrade, and maintain arenas, sports
 1-24 facilities, and fields in certain municipalities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 351.101(a), Tax Code, as amended by
 1-27 Chapters 541 (S.B. 551) and 546 (S.B. 585), Acts of the 83rd
 1-28 Legislature, Regular Session, 2013, is reenacted and amended to
 1-29 read as follows:

1-30 (a) Revenue from the municipal hotel occupancy tax may be
 1-31 used only to promote tourism and the convention and hotel industry,
 1-32 and that use is limited to the following:

1-33 (1) the acquisition of sites for and the construction,
 1-34 improvement, enlarging, equipping, repairing, operation, and
 1-35 maintenance of convention center facilities or visitor information
 1-36 centers, or both;

1-37 (2) the furnishing of facilities, personnel, and
 1-38 materials for the registration of convention delegates or
 1-39 registrants;

1-40 (3) advertising and conducting solicitations and
 1-41 promotional programs to attract tourists and convention delegates
 1-42 or registrants to the municipality or its vicinity;

1-43 (4) the encouragement, promotion, improvement, and
 1-44 application of the arts, including instrumental and vocal music,
 1-45 dance, drama, folk art, creative writing, architecture, design and
 1-46 allied fields, painting, sculpture, photography, graphic and craft
 1-47 arts, motion pictures, radio, television, tape and sound recording,
 1-48 and other arts related to the presentation, performance, execution,
 1-49 and exhibition of these major art forms;

1-50 (5) historical restoration and preservation projects
 1-51 or activities or advertising and conducting solicitations and
 1-52 promotional programs to encourage tourists and convention
 1-53 delegates to visit preserved historic sites or museums:

1-54 (A) at or in the immediate vicinity of convention
 1-55 center facilities or visitor information centers; or

1-56 (B) located elsewhere in the municipality or its
 1-57 vicinity that would be frequented by tourists and convention
 1-58 delegates;

1-59 (6) for a municipality located in a county with a
 1-60 population of one million or less, expenses, including promotion
 1-61 expenses, directly related to a sporting event in which the

2-1 majority of participants are tourists who substantially increase
2-2 economic activity at hotels and motels within the municipality or
2-3 its vicinity;
2-4 (7) subject to Section 351.1076, the promotion of
2-5 tourism by the enhancement and upgrading of existing sports
2-6 facilities or fields, including facilities or fields for baseball,
2-7 softball, soccer, and flag football, if:
2-8 (A) the municipality owns the facilities or
2-9 fields;
2-10 (B) the municipality:
2-11 (i) has a population of 80,000 or more and
2-12 is located in a county that has a population of 350,000 or less;
2-13 (ii) has a population of at least 75,000 but
2-14 not more than 95,000 and is located in a county that has a
2-15 population of less than 200,000 but more than 160,000;
2-16 (iii) has a population of at least 36,000
2-17 but not more than 39,000 and is located in a county that has a
2-18 population of 100,000 or less that is not adjacent to a county with
2-19 a population of more than two million;
2-20 (iv) has a population of at least 13,000 but
2-21 less than 39,000 and is located in a county that has a population of
2-22 at least 200,000;
2-23 (v) has a population of at least 70,000 but
2-24 less than 90,000 and no part of which is located in a county with a
2-25 population greater than 150,000;
2-26 (vi) is located in a county that:
2-27 (a) is adjacent to the Texas-Mexico
2-28 border;
2-29 (b) has a population of at least
2-30 500,000; and
2-31 (c) does not have a municipality with
2-32 a population greater than 500,000;
2-33 (vii) has a population of at least 25,000
2-34 but not more than 26,000 and is located in a county that has a
2-35 population of 90,000 or less; or
2-36 ~~[(viii) has a population of at least 7,500~~
2-37 ~~and is located in a county that borders the Pecos River and that has~~
2-38 ~~a population of not more than 15,000;]~~
2-39 (viii) is located in a county that has a
2-40 population of not more than 300,000 and in which a component
2-41 university of the University of Houston System is located; and
2-42 (C) the sports facilities and fields have been
2-43 used, in the preceding calendar year, a combined total of more than
2-44 10 times for district, state, regional, or national sports
2-45 tournaments;
2-46 (8) for a municipality with a population of at least
2-47 70,000 but less than 90,000, no part of which is located in a county
2-48 with a population greater than 150,000, the construction,
2-49 improvement, enlarging, equipping, repairing, operation, and
2-50 maintenance of a coliseum or multiuse facility;
2-51 (9) signage directing the public to sights and
2-52 attractions that are visited frequently by hotel guests in the
2-53 municipality;
2-54 (10) ~~[the construction of a recreational venue in the~~
2-55 ~~immediate vicinity of area hotels, if:~~
2-56 ~~[(A) the municipality:~~
2-57 ~~[(i) is a general-law municipality,~~
2-58 ~~[(ii) has a population of not more than 900,~~
2-59 ~~and~~
2-60 ~~[(iii) does not impose an ad valorem tax,~~
2-61 ~~[(B) not more than \$100,000 of municipal hotel~~
2-62 ~~occupancy tax revenue is used for the construction of the~~
2-63 ~~recreational venue,~~
2-64 ~~[(C) a majority of the hotels in the municipality~~
2-65 ~~request the municipality to construct the recreational venue,~~
2-66 ~~[(D) the recreational venue will be used~~
2-67 ~~primarily by hotel guests; and~~
2-68 ~~[(E) the municipality will pay for maintenance of~~
2-69 ~~the recreational venue from the municipality's general fund;~~

3-1 ~~[(11)]~~ the construction, improvement, enlarging,
 3-2 equipping, repairing, operation, and maintenance of a coliseum or
 3-3 multiuse facility, if the municipality:

3-4 (A) has a population of at least 90,000 but less
 3-5 than 120,000; and

3-6 (B) is located in two counties, at least one of
 3-7 which contains the headwaters of the San Gabriel River; and

3-8 (11) [(12)] for a municipality with a population of
 3-9 more than 175,000 but less than 225,000 that is located in two
 3-10 counties, each of which has a population of less than 200,000, the
 3-11 construction, improvement, enlarging, equipping, repairing,
 3-12 operation, and maintenance of a coliseum or multiuse facility and
 3-13 related infrastructure or a venue, as defined by Section
 3-14 334.001(4), Local Government Code, that is related to the promotion
 3-15 of tourism.

3-16 SECTION 2. Section 351.1066, Tax Code, is amended to read as
 3-17 follows:

3-18 Sec. 351.1066. ALLOCATION OF REVENUE: CERTAIN
 3-19 MUNICIPALITIES. (a) This section applies only to:

3-20 (1) a municipality with a population of at least 3,500
 3-21 but less than 5,500 that is the county seat of a county with a
 3-22 population of less than 50,000 that borders a county with a
 3-23 population of more than 1.6 million; ~~and~~

3-24 (2) a municipality with a population of at least 2,900
 3-25 but less than 3,500 that is the county seat of a county with a
 3-26 population of less than 22,000 that is bordered by the Trinity River
 3-27 and includes a state park and a portion of a wildlife management
 3-28 area;

3-29 (3) a municipality with a population of at least 7,500
 3-30 that is located in a county that borders the Pecos River and that
 3-31 has a population of not more than 15,000;

3-32 (4) a municipality with a population of not more than
 3-33 5,000 that is located in a county through which the Frio River flows
 3-34 and an interstate highway crosses, and that has a population of at
 3-35 least 15,000; and

3-36 (5) a municipality with a population of not less than
 3-37 7,500 that is located in a county with a population of not less than
 3-38 40,000 but less than 250,000 that is adjacent to a county with a
 3-39 population of less than 750.

3-40 (b) Notwithstanding any other provision of this chapter, a
 3-41 municipality to which this section applies may use all or any
 3-42 portion of the revenue derived from the municipal hotel occupancy
 3-43 tax for:

3-44 (1) ~~[a business recruitment project to substantially~~
 3-45 ~~enhance hotel activity and encourage tourism; and~~

3-46 ~~[(2)]~~ the construction, enlarging, equipping,
 3-47 improvement, maintenance, repairing, and operation of a
 3-48 recreational facility to substantially enhance hotel activity and
 3-49 encourage tourism; and

3-50 (2) the construction, enlarging, equipping,
 3-51 improvement, maintenance, repairing, and operation of an arena used
 3-52 for rodeos, livestock shows, and agricultural expositions to
 3-53 substantially enhance hotel activity and encourage tourism.

3-54 (c) A municipality to which this section applies may not use
 3-55 municipal hotel tax revenue to construct or expand a facility
 3-56 described by Subsection (b) in an amount that would exceed the
 3-57 amount of hotel revenue in the area that is likely to be reasonably
 3-58 attributable to events held at that facility during the 15-year
 3-59 period beginning on the date the construction or expansion is
 3-60 completed.

3-61 (d) An independent analyst or consultant hired by the
 3-62 municipality must make the projection required by Subsection (c).

3-63 (e) A municipality that uses municipal hotel occupancy tax
 3-64 revenue under this section shall annually prepare a report that
 3-65 describes:

3-66 (1) the events held during the preceding year at each
 3-67 facility that received municipal hotel occupancy tax revenue from
 3-68 the municipality during that year; and

3-69 (2) the number of hotel room nights, hotel revenue,

4-1 and municipal hotel occupancy tax revenue attributable to those
4-2 events.

4-3 SECTION 3. To the extent of any conflict, this Act prevails
4-4 over another Act of the 84th Legislature, Regular Session, 2015,
4-5 relating to nonsubstantive additions to and corrections in enacted
4-6 codes.

4-7 SECTION 4. This Act takes effect immediately if it receives
4-8 a vote of two-thirds of all the members elected to each house, as
4-9 provided by Section 39, Article III, Texas Constitution. If this
4-10 Act does not receive the vote necessary for immediate effect, this
4-11 Act takes effect September 1, 2015.

4-12

* * * * *