

By: Lucio

S.B. No. 1423

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy taxes by certain municipalities for ecological and space exploration-related tourism.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1054 to read as follows:

Sec. 351.1054. ALLOCATION OF REVENUE FOR ECOLOGICAL TOURISM AND SPACECRAFT AND SPACEPORT ACTIVITIES BY CERTAIN MUNICIPALITIES.

(a) In this section, "spacecraft" and "spaceport" have the meanings assigned by Section 507.001, Local Government Code.

(b) Notwithstanding any other provision of this chapter, an eligible barrier island coastal municipality may use revenue from the municipal hotel occupancy tax for:

(1) promotional and event expenses for an ecological tourism event, including an event for which the primary attraction is traveling to an area of natural or ecological interest for the purpose of observing and learning about wildlife and the area's natural environment, if:

(A) a majority of the event's participants are tourists; and

(B) the event substantially increases economic activity at hotels and motels within or in the vicinity of the municipality; and

1 (2) expenses directly related to:

2 (A) the acquisition of sites for spacecraft and
3 spaceport activities; and

4 (B) the construction, improvement, enlarging,
5 equipping, repairing, operation, and maintenance of facilities
6 utilized by hotel guests to observe and learn about spacecraft and
7 spaceport operations.

8 (c) A municipality may use for the purpose provided by
9 Subsection (b)(1) not more than the greater of:

10 (1) 15 percent of the hotel occupancy tax revenue
11 collected by the municipality; or

12 (2) the amount of tax received by the municipality at
13 the rate of one percent of the cost of a room, whichever is greater.

14 SECTION 2. Section [351.1055\(d\)](#), Tax Code, is amended to
15 read as follows:

16 (d) Notwithstanding any other provision of this chapter and
17 except as provided by Subsection (e), an eligible barrier island
18 coastal municipality shall use at least the amount of revenue
19 derived from the application of the tax at a rate of seven percent
20 of the cost of a room for the purposes authorized under Sections
21 [351.101\(a\)\(1\)](#) and (3) and Sections [351.1054\(b\)\(1\)](#) and (2). If an
22 eligible barrier island coastal municipality uses hotel occupancy
23 tax revenue for a purpose described by Section [351.1054\(b\)\(2\)](#), the
24 municipality may not reduce the amount of revenue that is used for
25 purposes described by Section [351.101\(a\)\(3\)](#) to an amount that is
26 less than the average amount of revenue used by the municipality for
27 purposes described by Section [351.101\(a\)\(3\)](#) during the 36-month

1 period that precedes the municipality's first use of revenue for a
2 purpose described by Section 351.1054(b)(2).

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