

Amend HB 2445 (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 334.001, Local Government Code, is amended by amending Subdivisions (1) and (4) and adding Subdivision (1-a) to read as follows:

(1) "Active transportation" means transportation that is wholly or primarily powered by human energy. The term includes walking, running, and bicycling.

(1-a) "Approved venue project" means a sports and community venue project that has been approved under this chapter by the voters of a municipality or county.

(4) "Venue" means:

(A) an arena, coliseum, stadium, or other type of area or facility:

(i) that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including rodeos, livestock shows, agricultural expositions, promotional events, and other civic or charitable events; and

(ii) for which a fee for admission to the events is charged or is planned to be charged;

(B) a convention center, convention center facility as defined by Section 351.001(2) or 352.001(2), Tax Code, or related improvement such as a civic center hotel, theater, opera house, music hall, rehearsal hall, park, zoological park, museum, aquarium, or plaza located in the vicinity of a convention center or facility owned by a municipality or a county;

(C) a tourist development area [~~along an inland waterway~~];

(D) a municipal parks and recreation system, or improvements or additions to a parks and recreation system, or an area or facility, including an area or facility for active transportation use, that is part of a municipal parks and recreation system;

(E) a project authorized by Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas

Civil Statutes), as that Act existed on September 1, 1997; [~~and~~]

(F) a watershed protection and preservation project; a recharge, recharge area, or recharge feature protection project; a conservation easement; or an open-space preservation program intended to protect water; and

(G) an airport facility located in a municipality located on the international border.

SECTION \_\_\_\_\_. Section 334.1015, Local Government Code, is amended to read as follows:

Sec. 334.1015. APPLICATION. (a) Except as provided by Subsection (b), this [~~This~~] subchapter does not apply to the financing of a venue project that is an area or facility that is part of a municipal parks and recreation system.

(b) A municipality located on the international border may finance a venue project described by Section 334.001(4)(D) with the revenue from a tax imposed under this subchapter.

SECTION \_\_\_\_\_. Section 334.2515, Local Government Code, is amended to read as follows:

Sec. 334.2515. APPLICATION. Except as provided by Section 334.2516, this subchapter does not apply to the financing of a venue project that is:

(1) an area described by Section 334.001(4)(C);

(2) an area or facility that is part of a municipal parks and recreation system as described by Section 334.001(4)(D);  
[~~or~~]

(3) [~~(2)~~] a project described by Section 334.001(4)(E), except for a project [~~projects~~] described by [~~in~~] Section 334.001(4)(A); or

(4) a facility described by Section 334.001(4)(G).

SECTION \_\_\_\_\_. Section 351.005, Tax Code, is amended to read as follows:

Sec. 351.005. REIMBURSEMENT FOR EXPENSES OF TAX COLLECTION AND USE OF ELECTRONIC TAX ADMINISTRATION SYSTEM. (a) A municipality may permit a person who is required to collect and pay over to the municipality the tax authorized by this chapter to withhold not more than one percent of the amount of the tax collected and required to be reported as reimbursement to the

person for the cost of [~~costs in~~] collecting the tax [~~and, if applicable, the use of an electronic tax administration system described by Section 351.1012~~].

(b) If a municipality uses revenue derived from the tax authorized by this chapter to create, maintain, operate, or administer an electronic tax administration system as authorized by Section 351.1012, the municipality shall permit a person who is required to collect and pay over to the municipality the tax authorized by this chapter to withhold not more than one percent of the amount of the tax collected and required to be reported as reimbursement to the person for the cost of collecting the tax.

(c) The municipality may provide that the reimbursement provided or required by this section be forfeited because of a failure to pay the tax or to file a report as required by the municipality.

SECTION \_\_\_\_\_. Section 351.101, Tax Code, is amended by amending Subsection (g) and adding Subsections (g-1) and (o) to read as follows:

(g) This [~~Nothing in this~~] section does not [~~shall~~] prohibit a [~~any private entity,~~] person that receives a grant from a municipality to conduct an activity authorized by Subsection (a)(4) [~~, or organization~~] from making a grant [~~subgrants~~] by contract to another [~~any other~~] person to conduct an activity authorized by that subdivision [~~, entity, or private organization for expenditures under Section 351.101(a)(4)~~]. A person that receives a grant from a grantee of the municipality under this subsection [~~subgrantee~~] shall:

(1) at least annually submit a report of the person's expenditures of funds received from the grantee [~~make periodic reports~~] to the governing body of the municipality [~~of its expenditures from the tax authorized by this chapter~~]; and

(2) make records of those [~~these~~] expenditures available for review to the governing body of the municipality and any [~~or~~] other person.

(g-1) A municipality may not require a person that receives funds directly from the municipality through a grant to conduct an activity authorized by Subsection (a)(4) to waive a right

guaranteed by law to the person or to enter into an agreement with another person.

(o) In addition to the purposes provided by Subsection (a), a municipality that has a population of not more than 10,000, that contains an outdoor gear and sporting goods retailer with retail space larger than 175,000 square feet, and that hosts an annual wiener dog race may use revenue from the municipal hotel occupancy 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 field 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. If a municipality to which this subsection applies uses revenue derived from the municipal hotel occupancy tax for a purpose described by this subsection, the municipality may not reduce the percentage of revenue from that tax allocated for a purpose described by Subsection (a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue for a purpose described by this subsection.

SECTION \_\_\_\_\_. Section 351.1012(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision of this chapter, a municipality may spend each year not more than the lesser of one percent or \$75,000 of the revenue derived from the tax authorized by this chapter during that year for the creation, maintenance, operation, and administration of an electronic tax administration system. A municipality may not use revenue the municipality is authorized to spend under this subsection to conduct an audit.

SECTION \_\_\_\_\_. Section 351.102, Tax Code, is amended by amending Subsections (b), (c), and (d) and adding Subsections (e) and (f) to read as follows:

(b) An eligible central municipality, a municipality with a population of 173,000 or more that is located within two or more counties, a municipality with a population of 96,000 or more that is

located in a county that borders Lake Palestine or contains the headwaters of the San Gabriel River, or a municipality with a population of at least 99,900 but not more than 111,000 that is located in a county with a population of at least 135,000 may pledge the revenue derived from the tax imposed under this chapter from a hotel project that is owned by or located on land owned by the municipality or, in an eligible central municipality, by a nonprofit corporation acting on behalf of an eligible central municipality, and that is located within 1,000 feet of a convention center facility owned by the municipality for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel and any facilities ancillary to the hotel, including convention center entertainment-related facilities, meeting spaces, restaurants, shops, street and water and sewer infrastructure necessary for the operation of the hotel or ancillary facilities, and parking facilities within 1,000 feet of the hotel or convention center facility. For bonds or other obligations issued under this subsection, an eligible central municipality or a municipality described by this subsection or Subsection (e) may only pledge revenue or other assets of the hotel project benefiting from those bonds or other obligations.

(c) Except as provided by this subsection, a [A] municipality to which Subsection (b) or (e) applies is entitled to receive all funds from a project described by this section that an owner of a project may receive under Section 151.429(h) of this code, or Section 2303.5055, Government Code, and may pledge the funds for the payment of obligations issued under this section. A municipality described by Subsection (e) is not entitled to receive funds from a project under this subsection unless the municipality has pledged the revenue derived from the tax imposed under this chapter from the project for the payment of bonds or other obligations issued or incurred for the project.

(d) Except as provided by this subsection, an eligible central municipality or another municipality described by Subsection (b) or (e) that uses revenue derived from the tax imposed under this chapter or funds received under Subsection (c) for a hotel project described by Subsection (b) may not reduce the

percentage of revenue from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue or funds for the hotel project. This subsection does not apply to an eligible central municipality described by Section 351.001(7)(D).

(e) In addition to the municipalities described by Subsection (b), that subsection also applies to:

(1) a municipality with a population of at least 110,000 but not more than 135,000 at least part of which is located in a county with a population of not more than 135,000;

(2) a municipality with a population of at least 9,000 but not more than 10,000 that is located in two counties, each of which has a population of at least 662,000 and a southern border with a county with a population of 2.3 million or more;

(3) a municipality with a population of at least 200,000 but not more than 300,000 that contains a component institution of the Texas Tech University System;

(4) a municipality with a population of at least 95,000 that borders Lake Lewisville;

(5) a municipality that:

(A) contains a portion of Cedar Hill State Park;

(B) has a population of more than 45,000;

(C) is located in two counties, one of which has a population of more than two million and one of which has a population of more than 149,000; and

(D) has adopted a capital improvement plan for the construction or expansion of a convention center facility;

(6) a municipality with a population of less than 6,000 that:

(A) is located in two counties each with a population of 600,000 or more that are both adjacent to a county with a population of two million or more;

(B) has full-time police and fire departments;

and

(C) has adopted a capital improvement plan for the construction or expansion of a convention center facility;

(7) a municipality with a population of at least 56,000 that:

(A) borders Lake Ray Hubbard; and

(B) is located in two counties, one of which has a population of less than 80,000;

(8) a municipality with a population of more than 83,000, that borders Clear Lake, and that is primarily located in a county with a population of less than 300,000; and

(9) a municipality that holds an annual jalapeño festival and is the county seat of a county that:

(A) borders the United Mexican States;

(B) has a population of less than 300,000; and

(C) contains one or more municipalities with a population of 200,000 or more.

(f) A municipality described by Subsection (e)(3) that uses revenue derived from the tax imposed under this chapter or funds received under Subsection (c) for repayment of bonds or other obligations issued or incurred for a hotel project described by Subsection (b) may not, in a fiscal year that begins after construction of the hotel project is complete and during any part of which the bonds or other obligations are outstanding, reduce the amount of revenue derived from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(6) to an amount that is less than the sum of:

(1) the amount of the revenue derived from the tax imposed under this chapter and allocated by the municipality for a purpose described by Section 351.101(a)(6) during the fiscal year beginning October 1, 2016; and

(2) three percent of the amount of revenue derived from the tax imposed under this chapter during the fiscal year for which the amount required by this subsection is being determined.

SECTION \_\_\_\_\_. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.10711 to read as follows:

Sec. 351.10711. ALLOCATION OF REVENUE FOR MAINTENANCE, ENHANCEMENT, AND UPGRADE OF SPORTS FACILITIES AND FIELDS BY CERTAIN

MUNICIPALITIES. (a) This section applies only to a municipality that is the county seat of a county that has a population of more than 10,000 and contains a portion of Mound Lake.

(b) In addition to other authorized uses, a municipality to which this section applies may use revenue derived from the tax imposed under this chapter to promote tourism by maintaining, enhancing, or upgrading sports facilities or fields, provided that:

(1) the requirements of Section 351.1076 are met if the municipality uses the revenue to enhance or upgrade a sports facility or field;

(2) the municipality owns the sports facilities or fields; and

(3) the sports facilities and fields have been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments.

(c) A municipality that uses revenue derived from the tax imposed under this chapter as authorized by Subsection (b) may not reduce the percentage of revenue from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue as authorized by Subsection (b).

SECTION \_\_\_\_\_. Section 351.1076(a), Tax Code, is amended to read as follows:

(a) A municipality that spends municipal hotel occupancy tax revenue for the enhancement and upgrading of existing sports facilities or fields as authorized by Section 351.101(a)(7) or 351.10711:

(1) shall determine the amount of municipal hotel occupancy tax revenue generated for the municipality by hotel activity attributable to the sports events and tournaments held on the enhanced or upgraded facilities or fields for five years after the date the enhancements and upgrades are completed; and

(2) may not spend hotel occupancy tax revenue for the



enhancement and upgrading of the facilities or fields in a total amount that exceeds the amount of area hotel revenue attributable to the enhancements and upgrades.

SECTION 8. Section 351.1078, Tax Code, is amended 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(i) or (o):

(1) may not use municipal hotel occupancy tax revenue for the acquisition of land for the sporting related facility or sports field described by that subsection;

(2) shall annually determine and prepare and publish on the municipality's Internet website a report on the events held at the facility or field, the number of hotel room nights attributable to events held at the facility or field, and the amount of hotel revenue and municipal tax revenue attributable to the sports events and tournaments held at the facility or field for five years after the date the construction expenditures are completed; and

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

(b) The municipality shall reimburse to the municipality's hotel occupancy tax revenue fund from the municipality's general fund any expenditure in excess of the amount of area hotel revenue attributable to sporting events held at the sporting related facility or sports field described by Section 351.101(i) or (o) for five years after the date the construction or expansion of the facility or field described by that subsection is completed.

SECTION \_\_\_\_\_. Section 352.002, Tax Code, is amended by adding Subsection (x) to read as follows:

(x) The commissioners court of a county that has a population of less than 100,000 and that borders Lake Ray Roberts may impose a tax as provided by Subsection (a).

SECTION \_\_\_\_\_. Section 352.003, Tax Code, is amended by

adding Subsection (u) to read as follows:

(u) The tax rate in a county authorized to impose the tax under Section 352.002(x) may not exceed two percent of the price paid for a room in a hotel.

SECTION \_\_\_\_\_. Section 352.103, Tax Code, is amended to read as follows:

Sec. 352.103. USE OF REVENUE: COUNTIES WITH NO MUNICIPALITY. (a) Except as provided by Subsection (b), the [The] revenue from a tax imposed under this chapter by a county that has no municipality may be used only for:

(1) the purposes provided by Sections 351.101(a)(1), (2), and (4);

(2) advertising for general promotional and tourist advertising of the county and conducting a solicitation program to attract conventions and visitors either by the county or through contracts with persons or organizations selected by the commissioners court; and

(3) historical preservation and restoration.

(b) Notwithstanding any other provision of this chapter, a county described by Subsection (a) that owns an airport may use revenue from a tax imposed under this chapter for repairs and improvements to the county airport or reimbursement for repairs and improvements to the airport.

(c) A county to which Subsection (b) applies may not use revenue from a tax imposed under this chapter for a purpose described by Subsection (b) in a total amount that would exceed the amount of hotel revenue in the county that is likely to be reasonably attributable to guests traveling through the airport during the 15-year period beginning on the date the county first uses the tax revenue for that purpose.

(d) A county to which Subsection (b) applies may not use revenue from a tax imposed under this chapter for a purpose described by Subsection (b) after the 10th anniversary of the date the county first uses that revenue for that purpose.

SECTION \_\_\_\_\_. Subchapter B, Chapter 352, Tax Code, is amended by adding Section 352.113 to read as follows:

Sec. 352.113. USE OF REVENUE: CERTAIN COUNTIES BORDERING

LAKE RAY ROBERTS. In addition to the purposes authorized by this chapter, the revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(x) may be used for any purpose described by Section 352.101(a).