

1-1 By: Springer, Guillen (Senate Sponsor - Estes) H.B. No. 1300
 1-2 (In the Senate - Received from the House May 15, 2017;
 1-3 May 17, 2017, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 21, 2017, reported
 1-5 adversely, with favorable Committee Substitute by the following
 1-6 vote: Yeas 7, Nays 2, 1 present not voting; May 21, 2017, sent to
 1-7 printer.)

1-8 COMMITTEE VOTE

1-9	Yea	Nay	Absent	PNV
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		X		

1-21 COMMITTEE SUBSTITUTE FOR H.B. No. 1300 By: Estes

1-22 A BILL TO BE ENTITLED
 1-23 AN ACT

1-24 relating to the collection and use of certain hotel occupancy
 1-25 taxes.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. Section 334.001, Local Government Code, is
 1-28 amended by amending Subdivisions (1) and (4) and adding Subdivision
 1-29 (1-a) to read as follows:

1-30 (1) "Active transportation" means transportation that
 1-31 is wholly or primarily powered by human energy. The term includes
 1-32 walking, running, and bicycling.

1-33 (1-a) "Approved venue project" means a sports and
 1-34 community venue project that has been approved under this chapter
 1-35 by the voters of a municipality or county.

1-36 (4) "Venue" means:

1-37 (A) an arena, coliseum, stadium, or other type of
 1-38 area or facility:

1-39 (i) that is used or is planned for use for
 1-40 one or more professional or amateur sports events, community
 1-41 events, or other sports events, including rodeos, livestock shows,
 1-42 agricultural expositions, promotional events, and other civic or
 1-43 charitable events; and

1-44 (ii) for which a fee for admission to the
 1-45 events is charged or is planned to be charged;

1-46 (B) a convention center, convention center
 1-47 facility as defined by Section 351.001(2) or 352.001(2), Tax Code,
 1-48 or related improvement such as a civic center hotel, theater, opera
 1-49 house, music hall, rehearsal hall, park, zoological park, museum,
 1-50 aquarium, or plaza located in the vicinity of a convention center or
 1-51 facility owned by a municipality or a county;

1-52 (C) a tourist development area [~~along an inland~~
 1-53 ~~waterway~~];

1-54 (D) a municipal parks and recreation system, or
 1-55 improvements or additions to a parks and recreation system, or an
 1-56 area or facility, including an area or facility for active
 1-57 transportation use, that is part of a municipal parks and
 1-58 recreation system;

1-59 (E) a project authorized by Section 4A or 4B,
 1-60 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas

2-1 Civil Statutes), as that Act existed on September 1, 1997; ~~and~~
2-2 (F) a watershed protection and preservation
2-3 project; a recharge, recharge area, or recharge feature protection
2-4 project; a conservation easement; or an open-space preservation
2-5 program intended to protect water; and
2-6 (G) an airport facility located in a municipality
2-7 located on the international border.

2-8 SECTION 2. Section 334.1015, Local Government Code, is
2-9 amended to read as follows:

2-10 Sec. 334.1015. APPLICATION. (a) Except as provided by
2-11 Subsection (b), this [This] subchapter does not apply to the
2-12 financing of a venue project that is an area or facility that is
2-13 part of a municipal parks and recreation system.

2-14 (b) A municipality located on the international border may
2-15 finance a venue project described by Section 334.001(4)(D) with the
2-16 revenue from a tax imposed under this subchapter.

2-17 SECTION 3. Section 334.2515, Local Government Code, is
2-18 amended to read as follows:

2-19 Sec. 334.2515. APPLICATION. Except as provided by Section
2-20 334.2516, this subchapter does not apply to the financing of a venue
2-21 project that is:

2-22 (1) an area described by Section 334.001(4)(C);

2-23 (2) an area or facility that is part of a municipal
2-24 parks and recreation system as described by Section 334.001(4)(D);
2-25 ~~[or]~~

2-26 (3) ~~[-(2)-]~~ a project described by Section
2-27 334.001(4)(E), except for a project [projects] described by [in]
2-28 Section 334.001(4)(A); or

2-29 (4) a facility described by Section 334.001(4)(G).

2-30 SECTION 4. Section 351.005, Tax Code, is amended to read as
2-31 follows:

2-32 Sec. 351.005. REIMBURSEMENT FOR EXPENSES OF TAX COLLECTION
2-33 AND USE OF ELECTRONIC TAX ADMINISTRATION SYSTEM. (a) A
2-34 municipality may permit a person who is required to collect and pay
2-35 over to the municipality the tax authorized by this chapter to
2-36 withhold not more than one percent of the amount of the tax
2-37 collected and required to be reported as reimbursement to the
2-38 person for the cost of [costs in] collecting the tax [and, if
2-39 applicable, the use of an electronic tax administration system
2-40 described by Section 351.1012].

2-41 (b) If a municipality uses revenue derived from the tax
2-42 authorized by this chapter to create, maintain, operate, or
2-43 administer an electronic tax administration system as authorized by
2-44 Section 351.1012, the municipality shall permit a person who is
2-45 required to collect and pay over to the municipality the tax
2-46 authorized by this chapter to withhold not more than one percent of
2-47 the amount of the tax collected and required to be reported as
2-48 reimbursement to the person for the cost of collecting the tax.

2-49 (c) The municipality may provide that the reimbursement
2-50 provided or required by this section be forfeited because of a
2-51 failure to pay the tax or to file a report as required by the
2-52 municipality.

2-53 SECTION 5. (a) Section 351.101(a), Tax Code, as amended by
2-54 Chapters 666 (H.B. 3772) and 979 (H.B. 3615), Acts of the 84th
2-55 Legislature, Regular Session, 2015, is reenacted and amended to
2-56 read as follows:

2-57 (a) Revenue from the municipal hotel occupancy tax may be
2-58 used only to promote tourism and the convention and hotel industry,
2-59 and that use is limited to the following:

2-60 (1) the acquisition of sites for and the construction,
2-61 improvement, enlarging, equipping, repairing, operation, and
2-62 maintenance of convention center facilities or visitor information
2-63 centers, or both;

2-64 (2) the furnishing of facilities, personnel, and
2-65 materials for the registration of convention delegates or
2-66 registrants;

2-67 (3) advertising and conducting solicitations and
2-68 promotional programs to attract tourists and convention delegates
2-69 or registrants to the municipality or its vicinity;

3-1 (4) the encouragement, promotion, improvement, and
3-2 application of the arts, including instrumental and vocal music,
3-3 dance, drama, folk art, creative writing, architecture, design and
3-4 allied fields, painting, sculpture, photography, graphic and craft
3-5 arts, motion pictures, radio, television, tape and sound recording,
3-6 and other arts related to the presentation, performance, execution,
3-7 and exhibition of these major art forms;

3-8 (5) historical restoration and preservation projects
3-9 or activities or advertising and conducting solicitations and
3-10 promotional programs to encourage tourists and convention
3-11 delegates to visit preserved historic sites or museums:

3-12 (A) at or in the immediate vicinity of convention
3-13 center facilities or visitor information centers; or
3-14 (B) located elsewhere in the municipality or its
3-15 vicinity that would be frequented by tourists and convention
3-16 delegates;

3-17 (6) for a municipality located in a county with a
3-18 population of one million or less, expenses, including promotion
3-19 expenses, directly related to a sporting event in which the
3-20 majority of participants are tourists who substantially increase
3-21 economic activity at hotels and motels within the municipality or
3-22 its vicinity;

3-23 (7) subject to Section 351.1076, the promotion of
3-24 tourism by the enhancement and upgrading of existing sports
3-25 facilities or fields, including facilities or fields for baseball,
3-26 softball, soccer, flag football, and rodeos, if:

3-27 (A) the municipality owns the facilities or
3-28 fields;

3-29 (B) the municipality:

3-30 (i) has a population of 80,000 or more and
3-31 is located in a county that has a population of 350,000 or less;

3-32 (ii) has a population of at least 75,000 but
3-33 not more than 95,000 and is located in a county that has a
3-34 population of less than 200,000 but more than 160,000;

3-35 (iii) has a population of at least 36,000
3-36 but not more than 39,000 and is located in a county that has a
3-37 population of 100,000 or less that is not adjacent to a county with
3-38 a population of more than two million;

3-39 (iv) has a population of at least 13,000 but
3-40 less than 39,000 and is located in a county that has a population of
3-41 at least 200,000;

3-42 (v) has a population of at least 70,000 but
3-43 less than 90,000 and no part of which is located in a county with a
3-44 population greater than 150,000;

3-45 (vi) is located in a county that:

3-46 (a) is adjacent to the Texas-Mexico
3-47 border;

3-48 (b) has a population of at least
3-49 500,000; and

3-50 (c) does not have a municipality with
3-51 a population greater than 500,000;

3-52 (vii) has a population of at least 25,000
3-53 but not more than 26,000 and is located in a county that has a
3-54 population of 90,000 or less;

3-55 (viii) [~~(ix)~~] is located in a county that
3-56 has a population of not more than 300,000 and in which a component
3-57 university of the University of Houston System is located; [~~or~~]

3-58 (ix) [~~(x)~~] has a population of at least
3-59 40,000 and the San Marcos River flows through the municipality; or
3-60 (x) contains an intersection of Interstates
3-61 35E and 35W and at least two public universities; and

3-62 (C) the sports facilities and fields have been
3-63 used, in the preceding calendar year, a combined total of more than
3-64 10 times for district, state, regional, or national sports
3-65 tournaments;

3-66 (8) for a municipality with a population of at least
3-67 70,000 but less than 90,000, no part of which is located in a county
3-68 with a population greater than 150,000, the construction,
3-69 improvement, enlarging, equipping, repairing, operation, and

4-1 maintenance of a coliseum or multiuse facility;
4-2 (9) signage directing the public to sights and
4-3 attractions that are visited frequently by hotel guests in the
4-4 municipality;

4-5 (10) the construction, improvement, enlarging,
4-6 equipping, repairing, operation, and maintenance of a coliseum or
4-7 multiuse facility, if the municipality:

4-8 (A) has a population of at least 90,000 but less
4-9 than 120,000; and

4-10 (B) is located in two counties, at least one of
4-11 which contains the headwaters of the San Gabriel River; and

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

4-19 (b) To the extent of any conflict, this section controls
4-20 over another Act of the 85th Legislature, Regular Session, 2017,
4-21 relating to nonsubstantive additions to and corrections in enacted
4-22 codes.

4-23 (c) This section takes effect immediately if this Act
4-24 receives a vote of two-thirds of all the members elected to each
4-25 house, as provided by Section 39, Article III, Texas Constitution.
4-26 If this Act does not receive the vote necessary for this section to
4-27 have immediate effect, this section takes effect September 1, 2017.

4-28 SECTION 6. Section 351.101, Tax Code, is amended by adding
4-29 Subsection (o) to read as follows:

4-30 (o) In addition to the purposes provided by Subsection (a),
4-31 a municipality that has a population of not more than 10,000, that
4-32 contains an outdoor gear and sporting goods retailer with retail
4-33 space larger than 175,000 square feet, and that hosts an annual
4-34 wiener dog race may use revenue from the municipal hotel occupancy
4-35 tax to promote tourism and the convention and hotel industry by
4-36 constructing, operating, or expanding a sporting related facility
4-37 or sports field owned by the municipality, if the majority of the
4-38 events at the facility or field are directly related to a sporting
4-39 event in which the majority of participants are tourists who
4-40 substantially increase economic activity at hotels in the
4-41 municipality. If a municipality to which this subsection applies
4-42 uses revenue derived from the municipal hotel occupancy tax for a
4-43 purpose described by this subsection, the municipality may not
4-44 reduce the percentage of revenue from that tax allocated for a
4-45 purpose described by Subsection (a)(3) to a percentage that is less
4-46 than the average percentage of that revenue allocated by the
4-47 municipality for that purpose during the 36-month period preceding
4-48 the date the municipality begins using the revenue for a purpose
4-49 described by this subsection.

4-50 SECTION 7. Section 351.1012(a), Tax Code, is amended to
4-51 read as follows:

4-52 (a) Notwithstanding any other provision of this chapter, a
4-53 municipality may spend each year not more than the lesser of one
4-54 percent or \$75,000 of the revenue derived from the tax authorized by
4-55 this chapter during that year for the creation, maintenance,
4-56 operation, and administration of an electronic tax administration
4-57 system. A municipality may not use revenue the municipality is
4-58 authorized to spend under this subsection to conduct an audit.

4-59 SECTION 8. Section 351.1078, Tax Code, is amended to read as
4-60 follows:

4-61 Sec. 351.1078. ALLOCATION OF REVENUE: CERTAIN
4-62 MUNICIPALITIES. (a) A municipality that spends municipal hotel
4-63 occupancy tax revenue as authorized by Section 351.101(i) or (o):

4-64 (1) may not use municipal hotel occupancy tax revenue
4-65 for the acquisition of land for the sporting related facility or
4-66 sports field described by that subsection;

4-67 (2) shall annually determine and prepare and publish
4-68 on the municipality's Internet website a report on the events held
4-69 at the facility or field, the number of hotel room nights

5-1 attributable to events held at the facility or field, and the amount
5-2 of hotel revenue and municipal tax revenue attributable to the
5-3 sports events and tournaments held at the facility or field for five
5-4 years after the date the construction expenditures are completed;
5-5 and

5-6 (3) may only spend hotel occupancy tax revenue for
5-7 operational expenses of the facility or field if the costs are
5-8 directly related to a sporting event in which the majority of
5-9 participants are tourists who substantially increase economic
5-10 activity at hotels in or near the municipality.

5-11 (b) The municipality shall reimburse to the municipality's
5-12 hotel occupancy tax revenue fund from the municipality's general
5-13 fund any expenditure in excess of the amount of area hotel revenue
5-14 attributable to sporting events held at the sporting related
5-15 facility or sports field described by Section 351.101(i) or (o) for
5-16 five years after the date the construction or expansion of the
5-17 facility or field described by that subsection is completed.

5-18 SECTION 9. Section 352.103, Tax Code, is amended to read as
5-19 follows:

5-20 Sec. 352.103. USE OF REVENUE: COUNTIES WITH NO
5-21 MUNICIPALITY. (a) Except as provided by Subsection (b), the [The]
5-22 revenue from a tax imposed under this chapter by a county that has
5-23 no municipality may be used only for:

5-24 (1) the purposes provided by Sections 351.101(a)(1),
5-25 (2), and (4);

5-26 (2) advertising for general promotional and tourist
5-27 advertising of the county and conducting a solicitation program to
5-28 attract conventions and visitors either by the county or through
5-29 contracts with persons or organizations selected by the
5-30 commissioners court; and

5-31 (3) historical preservation and restoration.

5-32 (b) Notwithstanding any other provision of this chapter, a
5-33 county described by Subsection (a) that owns an airport may use
5-34 revenue from a tax imposed under this chapter for repairs and
5-35 improvements to the county airport or reimbursement for repairs and
5-36 improvements to the airport.

5-37 (c) A county to which Subsection (b) applies may not use
5-38 revenue from a tax imposed under this chapter for a purpose
5-39 described by Subsection (b) in a total amount that would exceed the
5-40 amount of hotel revenue in the county that is likely to be
5-41 reasonably attributable to guests traveling through the airport
5-42 during the 15-year period beginning on the date the county first
5-43 uses the tax revenue for that purpose.

5-44 (d) A county to which Subsection (b) applies may not use
5-45 revenue from a tax imposed under this chapter for a purpose
5-46 described by Subsection (b) after the 10th anniversary of the date
5-47 the county first uses that revenue for that purpose.

5-48 SECTION 10. The change in law made by this Act does not
5-49 affect tax liability accruing before the effective date of this
5-50 Act. That liability continues in effect as if this Act had not been
5-51 enacted, and the former law is continued in effect for the
5-52 collection of taxes due and for civil and criminal enforcement of
5-53 the liability for those taxes.

5-54 SECTION 11. Except as otherwise provided by this Act, this
5-55 Act takes effect January 1, 2018.

5-56 * * * * *