

By: Morrison

H.B. No. 1494

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy tax revenue by certain municipalities.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1075 to read as follows:

Sec. 351.1075. ALLOCATION OF REVENUE FOR THE ARTS BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality:

(1) a portion of which is designated as a cultural arts district; and

(2) that is the county seat of a county:

(A) described by Section 352.002(a)(6);

(B) with a population of less than 50,000; and

(C) that includes a state park and a national wildlife refuge.

(b) Notwithstanding any other provision of this chapter and subject to Subsection (c)(1), a municipality to which this section applies may use not more than 30 percent of the revenue derived from the municipal hotel occupancy tax for the purposes provided by Section 351.101(a)(4).

(c) A municipality to which this section applies that spends more than 15 percent of the hotel occupancy tax revenue collected by the municipality in a fiscal year for the purposes provided by

1 Section 351.101(a)(4):

2 (1) may not in that fiscal year reduce the percentage
3 of hotel occupancy tax revenue that the municipality spends for the
4 purposes described by Section 351.101(a)(3) to a percentage that is
5 less than the average percentage of hotel occupancy tax revenue
6 spent by the municipality for those purposes during the 36-month
7 period preceding that fiscal year; and

8 (2) shall determine for that fiscal year:

9 (A) the increase in the amount of hotel revenue
10 that is attributable to that expenditure; and

11 (B) the total amount of hotel occupancy tax
12 revenue spent by the municipality for the purposes provided by
13 Section 351.101(a)(4).

14 (d) If the amount of money determined under Subsection
15 (c)(2)(A) is less than the amount of money determined under
16 Subsection (c)(2)(B), the municipality shall reimburse the
17 municipality's hotel occupancy tax revenue fund from the
18 municipality's general fund an amount equal to 50 percent of the
19 difference between those determined amounts.

20 SECTION 2. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2017.