

By: Canales

H.B. No. 2526

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy tax revenue for sporting-related facilities in 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 351.1068 to read as follows:

Sec. 351.1068. ALLOCATION OF REVENUE FOR CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality that is the county seat of a county that:

(1) is adjacent to the Texas-Mexico border;

(2) has a population of 500,000 or more; and

(3) is adjacent to two or more counties each of which has a population of 50,000 or more.

(b) A municipality to which this section applies may use local hotel occupancy tax revenue for constructing, maintaining, or expanding a sporting-related facility or sporting-related field on property owned by the municipality if the municipality's 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) If a municipality to which this section applies uses revenue derived from the tax imposed under this chapter for the construction or expansion of a sporting-related facility or sporting-related field described by Subsection (b), the

1 municipality shall reimburse the municipality's hotel occupancy
2 tax revenue fund from the municipality's general fund for any
3 expenditure greater than the amount of hotel revenue within the
4 municipality that is attributable to sporting or other events held
5 at the facility or field during the 10 years beginning on the date
6 the construction or expansion is completed.

7 (d) On the second, fourth, sixth, and eighth anniversaries
8 of the date the construction or expansion of a sporting-related
9 facility or sporting-related field described by Subsection (b) is
10 completed, the municipality shall determine and produce a report
11 indicating whether hotel revenue within the municipality
12 attributable to sporting or other events held at the facility or
13 field to date is less than the amount of hotel occupancy tax revenue
14 expended on the facility or field. If hotel revenue within the
15 municipality attributable to sporting events held at the facility
16 or field to date is less than the amount of hotel occupancy tax
17 revenue expended on the facility or field for the preceding
18 two-year period, the municipality shall reimburse the
19 municipality's hotel occupancy tax revenue fund from the
20 municipality's general fund for any expenditure greater than the
21 amount of hotel revenue in the municipality attributable to
22 sporting or other events held at the facility or field.

23 (e) If a municipality to which this section applies uses
24 revenue derived from the tax imposed under this chapter for a
25 purpose described by Subsection (b), the municipality may not
26 reduce the percentage of revenue from the tax imposed under this
27 chapter and allocated for a purpose described by Section

1 351.101(a)(3) to a percentage that is less than the average
2 percentage of revenue allocated by the municipality for that
3 purpose during the 36-month period preceding the date the
4 municipality begins using the revenue for the applicable purpose
5 described by Subsection (b).

6 SECTION 2. This Act takes effect September 1, 2017.