

AN ACT

relating to the use by certain municipalities of hotel occupancy tax revenue to improve or expand certain airports.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1036 to read as follows:

Sec. 351.1036. ALLOCATION OF REVENUE FOR AIRPORTS BY CERTAIN MUNICIPALITIES IN BORDER COUNTIES. (a) This section applies only to a municipality that is the county seat of a county that borders:

(1) the United Mexican States;

(2) a county described by Section 352.002(a)(7); and

(3) a county described by Section 352.002(a)(14).

(b) Notwithstanding any other provision of this chapter, a municipality to which this section applies may use municipal hotel occupancy tax revenue to improve or expand an airport:

(1) owned by the county in which the municipality is located;

(2) located more than 150 miles from the nearest airport in this state with regularly scheduled commercial airline flights; and

(3) substantially used for private air service that transports individuals staying at hotels in or near the municipality.

1        (c) A municipality to which this section applies may not use  
2 municipal hotel occupancy tax revenue to improve or expand an  
3 airport described by Subsection (b):

4            (1) in an amount each fiscal year that exceeds 15  
5 percent of the hotel occupancy tax revenue collected by the  
6 municipality during that year; or

7            (2) in a total amount under this section that would  
8 exceed the amount of hotel revenue in the municipality that is  
9 likely to be reasonably attributable to guests traveling through  
10 the airport during the 15-year period beginning on the date the  
11 municipality first uses municipal hotel occupancy tax revenue to  
12 improve or expand the airport.

13        (d) A municipality to which this section applies may not use  
14 municipal hotel occupancy tax revenue to improve or expand an  
15 airport described by Subsection (b) after the 10th anniversary of  
16 the date the municipality first uses that revenue for that purpose.

17        (e) The governing body of a municipality shall retain  
18 sufficient control over revenue described by this section to ensure  
19 the revenue is used to benefit the municipality by improving or  
20 expanding an airport described by Subsection (b).

21        (f) This section expires December 31, 2032.

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 440 passed the Senate on April 4, 2017, by the following vote: Yeas 29, Nays 2.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 440 passed the House on May 21, 2017, by the following vote: Yeas 107, Nays 32, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor