

By: Hinojosa

S.B. No. 1136

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 351.1068 to read as follows:

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

(1) is located on 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 revenue derived from the municipal hotel occupancy tax to construct, maintain, or expand a sporting-related facility or sporting-related field on property owned by the municipality, provided 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, games, or events.

(c) A municipality to which this section applies that uses revenue derived from the municipal hotel occupancy tax for a purpose described by Subsection (b):

1 (1) shall determine the amount of municipal hotel
2 occupancy tax revenue generated for the municipality by hotel
3 activity attributable to the sports tournaments, games, and events
4 held on the newly constructed, enhanced, or upgraded facilities or
5 fields for 10 years after the date the construction, enhancements,
6 or upgrades are completed; and

7 (2) may not spend municipal hotel occupancy tax
8 revenue for the construction, enhancement, or upgrading of the
9 facilities or fields in a total amount that exceeds the amount of
10 area hotel revenue attributable to the construction, enhancements,
11 or upgrades.

12 (d) A municipality to which this section applies shall
13 reimburse from the municipality's general fund any expenditure in
14 excess of the amount of area hotel revenue attributable to the
15 construction, enhancements, or upgrades to the municipality's
16 hotel occupancy tax revenue fund.

17 (e) If a municipality to which this section applies uses
18 revenue derived from the municipal hotel occupancy tax for a
19 purpose described by Subsection (b), the municipality may not
20 reduce the percentage of revenue from that tax allocated for a
21 purpose described by Section 351.101(a)(3) to a percentage that is
22 less than the average percentage of that revenue allocated by the
23 municipality for that purpose during the 36-month period preceding
24 the date the municipality begins using the revenue for a purpose
25 described by Subsection (b).

26 SECTION 2. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2017.