

By: Perry

S.B. No. 2056

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 351.10711 to read as follows:

Sec. 351.10711. ALLOCATION OF REVENUE FOR MAINTENANCE, ENHANCEMENT, AND UPGRADE OF SPORTS FACILITIES AND FIELDS BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality that is the county seat of a county that has a population of more than 10,000 and contains a portion of Mound Lake.

(b) In addition to other authorized uses, a municipality to which this section applies may use revenue derived from the tax imposed under this chapter to promote tourism by maintaining, enhancing, or upgrading sports facilities or fields, provided that:

(1) the requirements of Section 351.1076 are met if the municipality uses the revenue to enhance or upgrade a sports facility or field;

(2) the municipality owns the sports facilities or fields; and

(3) the 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.

1 (c) A municipality that uses revenue derived from the tax
2 imposed under this chapter as authorized by Subsection (b) may not
3 reduce the percentage of revenue from the tax imposed under this
4 chapter and allocated for a purpose described by Section
5 351.101(a)(3) to a percentage that is less than the average
6 percentage of that revenue allocated by the municipality for that
7 purpose during the 36-month period preceding the date the
8 municipality begins using the revenue as authorized by Subsection
9 (b).

10 SECTION 2. Section 351.1076(a), Tax Code, is amended to
11 read as follows:

12 (a) A municipality that spends municipal hotel occupancy
13 tax revenue for the enhancement and upgrading of existing sports
14 facilities or fields as authorized by Section 351.101(a)(7) or
15 351.10711:

16 (1) shall determine the amount of municipal hotel
17 occupancy tax revenue generated for the municipality by hotel
18 activity attributable to the sports events and tournaments held on
19 the enhanced or upgraded facilities or fields for five years after
20 the date the enhancements and upgrades are completed; and

21 (2) may not spend hotel occupancy tax revenue for the
22 enhancement and upgrading of the facilities or fields in a total
23 amount that exceeds the amount of area hotel revenue attributable
24 to the enhancements and upgrades.

25 SECTION 3. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2017.