

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Oliveira

H.B. No. 4029

A BILL TO BE ENTITLED

1 AN ACT

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

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

5 SECTION 1. The heading to Section 351.1054, Tax Code, is  
6 amended to read as follows:

7 Sec. 351.1054. ALLOCATION OF REVENUE: ELIGIBLE BARRIER  
8 ISLAND COASTAL MUNICIPALITY [~~FOR ECOLOGICAL TOURISM AND SPACECRAFT~~  
9 ~~AND SPACEPORT ACTIVITIES BY CERTAIN MUNICIPALITIES~~].

10 SECTION 2. Section 351.1054(b), Tax Code, is amended to  
11 read as follows:

12 (b) Notwithstanding any other provision of this chapter, an  
13 eligible barrier island coastal municipality may use revenue from  
14 the municipal hotel occupancy tax for:

15 (1) promotional and event expenses for an ecological  
16 tourism event, including an event for which the primary attraction  
17 is traveling to an area of natural or ecological interest for the  
18 purpose of observing and learning about wildlife and the area's  
19 natural environment, if:

20 (A) a majority of the event's participants are  
21 tourists; and

22 (B) the event substantially increases economic  
23 activity at hotels and motels within or in the vicinity of the  
24 municipality; [~~and~~]

1 (2) expenses directly related to:

2 (A) the acquisition of sites to observe  
3 spacecraft and spaceport activities; and

4 (B) the construction, improvement, enlarging,  
5 equipping, repairing, operation, and maintenance of facilities  
6 utilized by hotel guests to observe and learn about spacecraft and  
7 spaceport operations; and

8 (3) expenses directly related to the construction,  
9 improvement, equipping, repairing, operation, and maintenance of  
10 coastal sports facilities owned by the municipality, including boat  
11 docks, boat ramps, and fishing piers used by hotel guests, if the  
12 coastal sports facilities have been used in the preceding calendar  
13 year a combined total of more than five times for district, state,  
14 regional, or national sports tournaments or events.

15 SECTION 3. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2017.

ADOPTED

MAY 23 2017

*Leta Staw*  
Secretary of the Senate

By: GUILLEN / Lucio *Lucio, Jr.*

H.B. No. 4029

Substitute the following for H.B. No. 4029:

By: *Rodriguez*

C.S. H.B. No. 4029

A BILL TO BE ENTITLED

AN ACT

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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. The heading to Section 351.1054, Tax Code, is amended to read as follows:

Sec. 351.1054. ALLOCATION OF REVENUE: ELIGIBLE BARRIER ISLAND COASTAL MUNICIPALITY [~~FOR ECOLOGICAL TOURISM AND SPACECRAFT AND SPACEPORT ACTIVITIES BY CERTAIN MUNICIPALITIES~~].

SECTION 2. Sections 351.1054(b) and (c), Tax Code, are amended to read as follows:

(b) Notwithstanding any other provision of this chapter, an eligible barrier island coastal municipality may use revenue from the municipal hotel occupancy tax for:

(1) promotional and event expenses for an ecological tourism event, including an event for which the primary attraction is traveling to an area of natural or ecological interest for the purpose of observing and learning about wildlife and the area's natural environment, if:

(A) a majority of the event's participants are tourists; and

(B) the event substantially increases economic activity at hotels and motels within or in the vicinity of the municipality; [~~and~~]

1 (2) expenses directly related to:

2 (A) the acquisition of sites to observe  
3 spacecraft and spaceport activities; and

4 (B) the construction, improvement, enlarging,  
5 equipping, repairing, operation, and maintenance of facilities  
6 utilized by hotel guests to observe and learn about spacecraft and  
7 spaceport operations; and

8 (3) expenses directly related to the construction,  
9 improvement, equipping, repairing, operation, and maintenance of  
10 coastal sports facilities owned by the municipality, including boat  
11 docks, boat ramps, and fishing piers used by hotel guests, if:

12 (A) the coastal sports facilities have been used  
13 in the preceding calendar year a combined total of more than five  
14 times for district, state, regional, or national sports tournaments  
15 or events; and

16 (B) the majority of the events at the coastal  
17 sports facilities are directly related to a sports tournament or  
18 event in which the majority of participants are tourists who  
19 substantially increase economic activity at hotels within or in the  
20 vicinity of the municipality.

21 (c) A municipality may use for the purposes provided by  
22 Subsections (b)(1), ~~and~~ (2), and (3) not more than the greater of:

23 (1) 15 percent of the hotel occupancy tax revenue  
24 collected by the municipality; or

25 (2) the amount of tax received by the municipality at  
26 the rate of one percent of the cost of a room.

27 SECTION 3. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2017.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 24, 2017**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB4029** by Oliveira (Relating to the use of municipal hotel occupancy tax revenue by certain municipalities. ), **As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend the heading of Section 351.1054 to "Allocation of revenue; eligible barrier coastal island municipality," and would add new Section 351.1054(b)(3) to authorize an eligible barrier island coastal municipality to use municipal hotel occupancy taxes for expenses directly related to the construction, improvement, equipping, repairing, operation and maintenance of coastal sports facilities owned by the municipality. The bill would require coastal sports facilities including boat docks, boat ramps, and fishing piers used by hotel guests to have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments and events and require that the majority of the events at the coastal sports facilities be directly related to a sports tournament or event in which the majority of participants are tourists who substantially increase economic activity at hotels within or in the vicinity of the municipality.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SZ, SD

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 19, 2017**

**TO:** Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB4029** by Oliveira (relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), **Committee Report 2nd House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend the heading of Section 351.1054 to "Allocation of revenue; eligible barrier coastal island municipality," and would add new Section 351.1054(b)(3) to authorize an eligible barrier island coastal municipality to use municipal hotel occupancy taxes for expenses directly related to the construction, improvement, equipping, repairing, operation and maintenance of coastal sports facilities owned by the municipality. The bill would require coastal sports facilities including boat docks, boat ramps, and fishing piers used by hotel guests to have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments and events and require that the majority of the events at the coastal sports facilities be directly related to a sports tournament or event in which the majority of participants are tourists who substantially increase economic activity at hotels within or in the vicinity of the municipality.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SZ, SD

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 11, 2017**

**TO:** Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB4029** by Oliveira (Relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), **As Engrossed**

<b>No fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend the heading of Section 351.1054 to "Allocation of revenue; eligible barrier coastal island municipality," and would add new Section 351.1054(b)(3) to authorize an eligible barrier island coastal municipality to use municipal hotel occupancy taxes for expenses directly related to the construction, improvement, equipping, repairing, operation and maintenance of coastal sports facilities owned by the municipality. The bill would require coastal sports facilities including boat docks, boat ramps, and fishing piers used by hotel guests to have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments and events.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SZ, SD



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 26, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4029** by Oliveira (relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), **Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend the heading of Section 351.1054 to "Allocation of revenue; eligible barrier coastal island municipality," and would add new Section 351.1054(b)(3) to authorize an eligible barrier island coastal municipality to use municipal hotel occupancy taxes for expenses directly related to the construction, improvement, equipping, repairing, operation and maintenance of coastal sports facilities owned by the municipality. The bill would require coastal sports facilities including boat docks, boat ramps, and fishing piers used by hotel guests to have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments and events.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SZ, SD

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 18, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4029** by Oliveira (Relating to the use of municipal hotel occupancy tax revenue to construct, enhance, upgrade, and maintain coastal sports facilities in certain municipalities.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Section 351.101(a) of the Tax Code, as amended by Chapter 979 (HB 3615), Acts of the 84th Legislature, Regular Session, 2015, regarding the use of municipal hotel occupancy tax revenue.

The bill would add new Subsection 351.101(a)(7)(B)(xi) to allow an eligible barrier island coastal municipality that imposes the municipal hotel occupancy tax at a rate equal to or greater than 7.5 percent to use revenue from that tax to enhance or upgrade existing sports facilities or sports fields owned by the municipality. The bill would amend Section 351.101(a)(7)(C) to require that before the municipality subject to this bill's provisions uses revenue from this tax for the purposes authorized in the bill, the sports facilities, fields, or fishing piers must have been used a combined total of more than five times for district, state, regional or national sports tournaments in the preceding calendar year.

The bill would have no state revenue implications.

This bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise it would take effect September 1, 2017.

**Local Government Impact**

The bill would modify statutory provisions governing the use of municipal hotel occupancy tax revenue in the City of South Padre Island .

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SZ, SD