

## **BILL ANALYSIS**

Senate Research Center  
86R25981 GRM-D

H.B. 4158  
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Natural Resources & Economic Development  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Limitations placed on the use of municipal hotel occupancy tax revenue have drawn concerns of being too restrictive in certain municipalities that seek to promote and preserve dark skies. Accordingly, H.B. 4158 would authorize certain municipalities to use that revenue for this purpose.

H.B. 4158 would require a municipality that uses municipal hotel occupancy tax revenue for this purpose to determine the amount of area hotel revenue attributable to dark skies-related events and activities for five years after the date the municipality first uses hotel occupancy tax revenue for such purpose. The bill would prohibit a municipality from spending hotel occupancy tax revenue for this purpose in a total amount that exceeds that determined amount. It also would prohibit a municipality from spending more than 25 percent of its annual hotel occupancy tax revenue for such a purpose.

H.B. 4158 amends current law relating to the use of municipal hotel occupancy tax revenue in certain municipalities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 351, Tax Code, by adding Section 351.10692, as follows:

Sec. 351.10692. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) Provides that this section applies only to a municipality with a population of less than 2,000 located in a county that:

(1) is adjacent to the county in which the State Capitol is located; and

(2) has a population of:

(A) not more than 25,000; or

(B) at least 100,000 but not more than 200,000.

(b) Authorizes a municipality to which this section applies, notwithstanding any other provision of this chapter (Municipal Hotel Occupancy Taxes), to use revenue from the municipal hotel occupancy tax for the promotion and preservation of dark skies through construction and maintenance of infrastructure and the purchase and installation of hardware that reduces light pollution and sky glow.

(c) Provides that a municipality that uses revenue from the municipal hotel occupancy tax for a purpose described by Subsection (b):

(1) is required to determine the amount of area hotel revenue attributable to dark skies related events and activities for five years after the date the municipality first uses hotel occupancy tax revenue for a purpose described by Subsection (b); and

(2) is prohibited from spending municipal hotel occupancy tax revenue for the purposes described by Subsection (b) in a total amount that exceeds the amount determined under Subdivision (1).

(d) Prohibits a municipality from spending more than 25 percent of the municipality's annual hotel occupancy tax revenue for a purpose described by Subsection (b).

SECTION 2. Effective date: upon passage or September 1, 2019.