

By: Button

H.B. No. 1197

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of hotel occupancy tax revenue collected by certain municipalities.

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

SECTION 1. Section 351.103, Tax Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Subsection (a) does not apply to:

(1) a municipality in a fiscal year of the municipality if the total amount of hotel occupancy tax collected by the municipality in the most recent calendar year that ends at least 90 days before the date the fiscal year begins exceeds \$2 million; or

(2) a municipality that has a population of at least 200,000 and shares a border with:

(A) a municipality described by Section 351.102(e)(7); and

(B) Lake Ray Hubbard.

(b-1) A municipality excepted from the application of Subsection (a) by Subsection (b) ~~[this subsection]~~ shall allocate hotel occupancy tax revenue by ordinance, consistent with the other limitations of this section. The portion of the tax revenue allocated by a municipality with a population of more than 1.6 million for the purposes provided by Section 351.101(a)(3) may not

1 be less than 23 percent, except that the allocation is subject to  
2 and may not impair the authority of the municipality to:

3 (1) pledge all or any portion of that tax revenue to  
4 the payment of bonds as provided by Section 351.102(a) or bonds  
5 issued to refund bonds secured by that pledge; or

6 (2) spend all or any portion of that tax revenue for  
7 the payment of operation and maintenance expenses of convention  
8 center facilities.

9 SECTION 2. The change in law made by this Act applies only  
10 to the allocation of hotel occupancy tax revenue by a municipality  
11 for a fiscal year that begins on or after the effective date of this  
12 Act.

13 SECTION 3. This Act takes effect September 1, 2019.