

By: Bohac

H.B. No. 3864

A BILL TO BE ENTITLED

AN ACT

relating to the expenditure of municipal hotel occupancy tax revenue allocated by certain municipalities for certain purposes.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.111 to read as follows:

Sec. 351.111. EXPENDITURE OF ALLOCATED REVENUE: ELIGIBLE COASTAL MUNICIPALITY AND CERTAIN OTHER MUNICIPALITIES. (a) This section applies only to:

(1) an eligible coastal municipality; and

(2) a municipality with a population of more than 750,000 and less than one million.

(b) If a municipality allocates a percentage of the hotel occupancy tax revenue the municipality collects for the purposes provided by Section 351.101(a)(5) for a site or museum not primarily visited by tourists, the municipality may not spend any portion of the allocated hotel occupancy tax revenue for that site or museum in a fiscal year in an amount that exceeds the amount of hotel occupancy tax revenue the municipality proposes to spend for the site or museum for that fiscal year multiplied by the municipality's good faith estimate of the percentage that the annual number of tourists visiting the site or museum bears to the total annual number of visitors to the site or museum.

(c) A municipality shall require a site or museum to report

1 the annual numbers of tourists visiting the site or museum and total
2 visitors to the site or museum for the purposes of making the good
3 faith estimate described by Subsection (b).

4 (d) To the extent that hotel occupancy tax revenue collected
5 and allocated for a purpose described by Section [351.101\(a\)\(5\)](#) may
6 not be spent because of the limitation provided by Subsection (b),
7 the municipality may allocate that revenue in the following fiscal
8 year in the manner provided by this chapter.

9 SECTION 2. This Act takes effect September 1, 2019.