

By: Toth

H.B. No. 4377

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authority of certain special purpose districts to
3 use hotel occupancy tax revenue.

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

5 SECTION 1. CHAPTER 11011, Special District Local Laws Code,
6 is amended by adding Section 11011.004 to read as follows:

7 Sec. 11011.004. PERFORMANCE ARTS VENUE CONSTRUCTION COSTS.

8 (a) The district may use hotel occupancy tax revenue for the
9 construction costs and for the payment of bonds for the
10 construction of a performing arts venue:

11 (1) Located on land owned by the district and within
12 1,000 feet of a convention center facility owned by the district;
13 and

14 (2) At which events will be primarily attended by
15 tourists who live more than 30 miles from the venue.

16 (b) If the district uses hotel occupancy tax revenue for a
17 purpose described by this subsection in an amount that exceeds 15
18 percent of the total hotel annual hotel occupancy tax revenue
19 collected by the district, the amount of hotel occupancy tax
20 revenue expended for a purpose described by this subsection in
21 excess of 15 percent of the total annual hotel occupancy tax revenue
22 collected by the district shall not exceed the amount of area hotel
23 revenue annually attributable to events at the venue.

24 (c) If the district uses hotel occupancy tax revenue for a

1 purpose described by this subsection, the district will not reduce
2 funding for the convention and visitors bureau to a percentage that
3 is less than the average percentage of that revenue allocated by the
4 district for that purpose during the 36-month period preceding the
5 date the district begins using the revenue for a purpose described
6 by this subsection.

7 (d) Notwithstanding any other provision of this section, if
8 at least 99 percent of the territory of the district is incorporated
9 and the district is dissolved in the manner provided by this Act,
10 the district or municipality may not pledge or spend hotel
11 occupancy tax revenue for the purpose described by this subsection,
12 except to replay the district's debt and other obligations existing
13 before the incorporation with regard to the performing arts center.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2019.