

By: Johnson

S.B. No. 1262

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the allocation of hotel occupancy tax revenue collected
3 by certain municipalities.

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

5 SECTION 1. Section 351.101(a), Tax Code, as amended by
6 Chapters 53 (S.B. 1365), 267 (H.B. 1896), 324 (S.B. 1488), and 785
7 (H.B. 2445), Acts of the 85th Legislature, Regular Session, 2017,
8 is reenacted and amended to read as follows:

9 (a) Revenue from the municipal hotel occupancy tax may be
10 used only to promote tourism and the convention and hotel industry,
11 and that use is limited to the following:

12 (1) the acquisition of sites for and the construction,
13 improvement, enlarging, equipping, repairing, operation, and
14 maintenance of convention center facilities or visitor information
15 centers, or both;

16 (2) the furnishing of facilities, personnel, and
17 materials for the registration of convention delegates or
18 registrants;

19 (3) advertising and conducting solicitations and
20 promotional programs to attract tourists and convention delegates
21 or registrants to the municipality or its vicinity;

22 (4) the encouragement, promotion, improvement, and
23 application of the arts, including instrumental and vocal music,
24 dance, drama, folk art, creative writing, architecture, design and

1 allied fields, painting, sculpture, photography, graphic and craft
2 arts, motion pictures, radio, television, tape and sound recording,
3 and other arts related to the presentation, performance, execution,
4 and exhibition of these major art forms;

5 (5) historical restoration and preservation projects
6 or activities or advertising and conducting solicitations and
7 promotional programs to encourage tourists and convention
8 delegates to visit preserved historic sites or museums:

9 (A) at or in the immediate vicinity of convention
10 center facilities or visitor information centers; or

11 (B) located elsewhere in the municipality or its
12 vicinity that would be frequented by tourists and convention
13 delegates;

14 (6) expenses, including promotion expenses, directly
15 related to a sporting event in which the majority of participants
16 are tourists who substantially increase economic activity at hotels
17 and motels within the municipality or its vicinity if:

18 (A) the municipality is located in a county with
19 a population of one million or less; ~~or~~

20 (B) the municipality has a population of more
21 than 67,000 and is located in two counties with 90 percent of the
22 municipality's territory located in a county with a population of
23 at least 580,000, and the remaining territory located in a county
24 with a population of at least four million; or

25 (C) the municipality has a population of more
26 than 225,000 and is located in three counties, one of which has a
27 population of more than two million and less than four million;

1 (7) subject to Section 351.1076, the promotion of
2 tourism by the enhancement and upgrading of existing sports
3 facilities or fields if:

4 (A) the municipality owns the facilities or
5 fields;

6 (B) the municipality:

7 (i) has a population of 80,000 or more and
8 is located in a county that has a population of 350,000 or less;

9 (ii) has a population of at least 75,000 but
10 not more than 95,000 and is located in a county that has a
11 population of less than 200,000 but more than 160,000;

12 (iii) has a population of at least 36,000
13 but not more than 39,000 and is located in a county that has a
14 population of 100,000 or less that is not adjacent to a county with
15 a population of more than two million;

16 (iv) has a population of at least 13,000 but
17 less than 39,000 and is located in a county that has a population of
18 at least 200,000;

19 (v) has a population of at least 70,000 but
20 less than 90,000 and no part of which is located in a county with a
21 population greater than 150,000;

22 (vi) is located in a county that:

23 (a) is adjacent to the Texas-Mexico
24 border;

25 (b) has a population of at least
26 500,000; and

27 (c) does not have a municipality with

1 a population greater than 500,000;

2 (vii) has a population of at least 25,000
3 but not more than 26,000 and is located in a county that has a
4 population of 90,000 or less;

5 (viii) is located in a county that has a
6 population of not more than 300,000 and in which a component
7 university of the University of Houston System is located;

8 (ix) has a population of at least 40,000 and
9 the San Marcos River flows through the municipality; [~~or~~]

10 (x) has a population of more than 67,000 and
11 is located in two counties with 90 percent of the municipality's
12 territory located in a county with a population of at least 580,000,
13 and the remaining territory located in a county with a population of
14 at least four million; or

15 (xi) contains an intersection of
16 Interstates 35E and 35W and at least two public universities; and

17 (C) the sports facilities and fields have been
18 used, in the preceding calendar year, a combined total of more than
19 10 times for district, state, regional, or national sports
20 tournaments;

21 (8) for a municipality with a population of at least
22 70,000 but less than 90,000, no part of which is located in a county
23 with a population greater than 150,000, the construction,
24 improvement, enlarging, equipping, repairing, operation, and
25 maintenance of a coliseum or multiuse facility;

26 (9) signage directing the public to sights and
27 attractions that are visited frequently by hotel guests in the

1 municipality;

2 (10) the construction, improvement, enlarging,
3 equipping, repairing, operation, and maintenance of a coliseum or
4 multiuse facility, if the municipality:

5 (A) has a population of at least 90,000 but less
6 than 120,000; and

7 (B) is located in two counties, at least one of
8 which contains the headwaters of the San Gabriel River; and

9 (11) for a municipality with a population of more than
10 175,000 but less than 225,000 that is located in two counties, each
11 of which has a population of less than 200,000, the construction,
12 improvement, enlarging, equipping, repairing, operation, and
13 maintenance of a coliseum or multiuse facility and related
14 infrastructure or a venue, as defined by Section 334.001(4), Local
15 Government Code, that is related to the promotion of tourism.

16 SECTION 2. Section 351.103, Tax Code, is amended by adding
17 Subsection (b-1) to read as follows:

18 (b-1) Notwithstanding Subsection (a), at least 30 percent
19 of the hotel occupancy tax revenue collected by a municipality
20 described by Section 351.101(a)(6)(C) must be allocated for the
21 purposes provided by Section 351.101(a)(3).

22 SECTION 3. The change in law made by this Act applies only
23 to the allocation of hotel occupancy tax revenue by a municipality
24 for a fiscal year that begins on or after the effective date of this
25 Act.

26 SECTION 4. To the extent of any conflict, this Act controls
27 over another Act of the 86th Legislature, Regular Session, 2019,

S.B. No. 1262

1 relating to nonsubstantive additions to and corrections in enacted
2 codes.

3 SECTION 5. This Act takes effect September 1, 2019.