

By: Seliger

S.B. No. 1393

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy tax revenue in certain municipalities.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.10712 to read as follows:

Sec. 351.10712. ALLOCATION OF REVENUE FOR CONSTRUCTION OF SPORTS FACILITIES BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality with a population of at least 95,000, in which a component university of The University of Texas System is located, and that is located in a county that has a population of not more than 140,000.

(b) Notwithstanding any other provision of this chapter, a municipality to which this section applies may use revenue derived from the tax imposed under this chapter to construct a sports facility on land owned by a state university if the municipality leases the land on which the sports facility will be located from the university for a term of at least 25 years.

(c) A municipality that uses revenue derived from the tax imposed under this chapter for a purpose described by Subsection (b):

(1) shall determine the amount of area hotel revenue attributable to the sports events and tournaments held at the sports facility for seven years after the date the municipality

1 first uses hotel occupancy tax revenue for the purpose described by
2 Subsection (b);

3 (2) shall at the end of the seven-year period
4 described by Subdivision (1) reimburse from the municipality's
5 general fund to the municipality's hotel occupancy tax revenue fund
6 any hotel occupancy tax revenue expended on the sports facility
7 during that period in excess of the amount determined under
8 Subdivision (1); and

9 (3) may not during the seven-year period described by
10 Subdivision (1) reduce the percentage of revenue from the tax
11 imposed under this chapter and allocated for a purpose described by
12 Section 351.101(a)(3) to a percentage that is less than the average
13 percentage of that revenue allocated by the municipality for that
14 purpose during the 36-month period preceding the date the
15 municipality first uses hotel occupancy tax revenue for the purpose
16 described by Subsection (b).

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