

Amend SB 696 on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

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

Sec. 351.111. ALLOCATION OF REVENUE FOR PUBLIC PARKS BY CERTAIN MUNICIPALITIES. (a) This section applies only to:

(1) a municipality described by Section 351.101(o);

(3) a municipality that is bisected by U.S. Highway 290 and is located in a county that:

(A) is adjacent to the county in which the State Capitol is located; and

(B) has a population of more than 150,000; and

(4) a municipality with a population of less than 3,000 that borders the Pecan Bayou and has a visitors and events center.

(b) Notwithstanding any other provision of this chapter and subject to the requirements of this section, a municipality to which this section applies may use a portion of the revenue derived from the tax imposed under this chapter to promote tourism and the convention and hotel industry by enhancing and improving public parks owned by the municipality. The enhancement or improvement of the public park must be directly related to hotel activity that is attributable to public parks owned by the municipality.

(c) The amount of municipal hotel occupancy tax revenue a municipality may use in a fiscal year for a purpose authorized under this section may not exceed 10 percent of the amount of revenue the municipality collected from that tax during the preceding fiscal year.

(d) The amount of municipal hotel occupancy tax revenue a municipality may use in a fiscal year to enhance and improve an individual public park may not exceed the amount of area hotel revenue in the preceding fiscal year that was directly attributable to tourists who attended events held at that park or otherwise visited that park. Before the municipality uses municipal hotel occupancy tax revenue to enhance or improve a park, the municipality must make a good faith estimate of the annual amount of

area hotel revenue directly attributable to tourists who visited that park.

(e) A municipality that uses municipal hotel occupancy tax revenue under this section:

(1) may, notwithstanding the limitation under Subsection (c), reserve not more than 10 percent of the revenue from that tax collected in a fiscal year for use under this section during the succeeding three fiscal years; and

(2) may not reduce the percentage of revenue from that tax allocated for a purpose described by Section 351.101(a)(3) to a percentage that is less than the average percentage of the revenue from that tax allocated by the municipality for the purpose described by Section 351.101(a)(3) during the 36-month period preceding the date the municipality begins using revenue for a purpose described by this section.