By:  Morales of Maverick H.B. No. 2172

A BILL TO BE ENTITLED

AN ACT

relating to the hotel occupancy tax imposed by certain counties and the use of revenue from that tax; reducing the maximum rate of that tax; authorizing the imposition of a tax.

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

SECTION 1.  Section 352.002, Tax Code, is amended by amending Subsection (d) and adding Subsection (w) to read as follows:

(d)  The tax imposed by a county authorized by Subsection (a)(6) [~~(a)(4), (6)~~], (8), (9), (10), (11), (14), (15), (17), (19), (20), (21), (23), or (29) to impose the tax does not apply to a hotel located in a municipality that imposes a tax under Chapter 351 applicable to the hotel. This subsection does not apply to:

(1)  a county authorized by Subsection (a)(6) to impose the tax that:

(A)  has a population of less than 40,000 and adjoins the most populous county in this state; or

(B)  has a population of more than 200,000 and borders the Neches River; or

(2)  a county authorized by Subsection (a)(9) to impose the tax that has a population of more than 9,000.

(w)  A county with a population of more than 650,000 that is adjacent to two counties, each of which has a population of more than 1.8 million, may impose a tax as provided by Subsection (a).

SECTION 2.  Section 352.003, Tax Code, is amended by adding Subsection (y) to read as follows:

(y)  The tax rate in a county authorized to impose the tax under Section 352.002(a)(4) may not exceed two percent of the price paid for a room in a hotel.

SECTION 3.  Subchapter B, Chapter 352, Tax Code, is amended by adding Section 352.114 to read as follows:

Sec. 352.114.  USE OF REVENUE: CERTAIN COUNTIES CONTAINING AN INDIAN RESERVATION. (a) In addition to the purposes authorized by this chapter, the revenue from a tax imposed under this chapter by a county authorized to impose the tax under Section 352.002(a)(4) may be used to make repairs and improvements to the county airport or to provide reimbursement for repairs and improvements to the airport.

(b)  A county to which this section applies may not use revenue from a tax imposed under this chapter for a purpose described by Subsection (a) in a total amount that would exceed the amount of hotel revenue in the county that is likely to be reasonably attributable to guests traveling through the airport during the 15-year period beginning on the date the county first uses the tax revenue for that purpose.

(c)  A county to which this section applies may not use revenue from a tax imposed under this chapter for a purpose described by Subsection (a) after the 10th anniversary of the date the county first uses the revenue for that purpose.

SECTION 4.  This Act takes effect September 1, 2021.