87R18787 SRA-F

By:  Morales of Maverick, Bucy, Darby, H.B. No. 4305

     Landgraf, González of El Paso

Substitute the following for H.B. No. 4305:

By:  Cole C.S.H.B. No. 4305

A BILL TO BE ENTITLED

AN ACT

relating to the use of hotel occupancy tax revenue by certain municipalities and counties.

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

SECTION 1.  Section 351.10692, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsection (e) to read as follows:

(a)  This section applies only to:

(1)  a municipality with a population of less than 2,000 located in a county that:

(A) [~~(1)~~]  is adjacent to the county in which the State Capitol is located; and

(B) [~~(2)~~]  has a population of:

(i) [~~(A)~~]  not more than 25,000; or

(ii) [~~(B)~~]  at least 100,000 but not more than 200,000;

(2)  a municipality located in a county with a total area of more than 6,000 square miles; and

(3)  a municipality located in a county with a total area of more than 3,850 square miles but less than 4,000 square miles.

(c)  A municipality that uses revenue from the municipal hotel occupancy tax for a purpose described by Subsection (b):

(1)  shall make a good-faith estimate based on reasonable documentation of [~~determine~~] the annual amount of area hotel revenue attributable to dark skies related events and activities [~~for five years after the date the municipality first uses hotel occupancy tax revenue for a purpose described by Subsection (b)~~]; and

(2)  may not spend municipal hotel occupancy tax revenue for the purposes described by Subsection (b) in an annual [~~a total~~] amount that exceeds the amount determined under Subdivision (1).

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

SECTION 2.  Section 352.102, Tax Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c)  A county that borders the Republic of Mexico and that is further described by Section 352.002(a)(14):

(1)  shall use at least one-third of the revenue collected each fiscal year from the tax imposed under this chapter for the purposes authorized by this chapter in unincorporated areas of the county; and

(2)  may use revenue from the tax imposed under this chapter in the same manner that a municipality to which Section 351.10692 applies may use revenue from the municipal hotel occupancy tax under that section.

(d)  A county that borders the United Mexican States and that is further described by Section 352.002(a)(7) may use revenue from the tax imposed under this chapter in the same manner that a municipality to which Section 351.10692 applies may use revenue from the municipal hotel occupancy tax under that section.

SECTION 3.  Section 351.1035, Tax Code, is repealed.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.