

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

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

8 (a) This section applies only to:

9 (1) a municipality with a population of less than
10 2,000 located in a county that:

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

13 (B) ~~[(2)]~~ has a population of:

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

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

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

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

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

24 (1) shall make a good-faith estimate based on

1 reasonable documentation of [~~determine~~] the annual amount of area
2 hotel revenue attributable to dark skies related events and
3 activities [~~for five years after the date the municipality first~~
4 ~~uses hotel occupancy tax revenue for a purpose described by~~
5 ~~Subsection (b)]~~; and

6 (2) may not spend municipal hotel occupancy tax
7 revenue for the purposes described by Subsection (b) in an annual [~~a~~
8 ~~total~~] amount that exceeds the amount determined under Subdivision
9 (1).

10 (e) A municipality that uses municipal hotel occupancy tax
11 revenue under this section may not reduce the percentage of revenue
12 from that tax allocated for a purpose described by Section
13 351.101(a)(3) to a percentage that is less than the average
14 percentage of the revenue from that tax allocated by the
15 municipality for the purpose described by Section 351.101(a)(3)
16 during the 36-month period preceding the date the municipality
17 begins using revenue for a purpose described by this section.

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

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

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

27 (2) may use revenue from the tax imposed under this

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

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

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

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