88R1682 CJC-F

By:  Vasut H.B. No. 550

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy tax revenue for certain infrastructure projects and public parks.

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

SECTION 1.  Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1011 to read as follows:

Sec. 351.1011.  USE OF TAX REVENUE FOR CERTAIN INFRASTRUCTURE PROJECTS AND PUBLIC PARKS. (a) In this section, "qualified infrastructure" means:

(1)  a road, street, highway, bridge, overpass, underpass, or interchange:

(A)  from which an entrance to a hotel is accessible; or

(B)  that constitutes, wholly or partly, the shortest route between a hotel and a state highway, interstate highway, public beach, visitor or tourism information center, or convention center facility or complex that is located within five miles of the hotel;

(2)  a water supply system from which a hotel receives water;

(3)  a sanitary sewer system into which a hotel discharges wastewater; or

(4)  a storm drainage system into which runoff from a hotel flows.

(b)  In addition to the purposes provided by Section 351.101(a), a municipality may use revenue from the municipal hotel occupancy tax to promote tourism and the convention and hotel industry by:

(1)  acquiring, constructing, repairing, remodeling, or expanding qualified infrastructure that is owned by the municipality and that is located not more than one mile from a hotel; and

(2)  making improvements to a public park that is owned by the municipality and that is located not more than one mile from a hotel.

(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 20 percent of the amount of revenue the municipality collected from that tax during the preceding fiscal year.

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

(1)  may, notwithstanding the limitation under Subsection (c), reserve not more than 20 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.

SECTION 2.  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, 2023.