88R13789 BEF-F

By:  Reynolds H.B. No. 3243

A BILL TO BE ENTITLED

AN ACT

relating to the use by certain municipalities of municipal hotel occupancy tax revenue for the enhancement and maintenance of 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 351.111 to read as follows:

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

(1)  has a population of more than 69,000; and

(2)  is located in two counties, with 90 percent of the municipality's territory located in a county with a population of at least 580,000 and the remaining territory located in a county with a population of at least four million.

(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 maintaining public parks the municipality owns.

(c)  The amount of municipal hotel occupancy tax revenue a municipality may use in a fiscal year to enhance and maintain all public parks 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 maintain 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 maintain 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.

SECTION 2.  This Act takes effect September 1, 2023.