

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.

1 (b) In addition to the purposes provided by Section
2 351.101(a), a municipality may use revenue from the municipal hotel
3 occupancy tax to promote tourism and the convention and hotel
4 industry by:

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

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

12 (c) The amount of municipal hotel occupancy tax revenue a
13 municipality may use in a fiscal year for a purpose authorized under
14 this section may not exceed 20 percent of the amount of revenue the
15 municipality collected from that tax during the preceding fiscal
16 year.

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

19 (1) may, notwithstanding the limitation under
20 Subsection (c), reserve not more than 20 percent of the revenue from
21 that tax collected in a fiscal year for use under this section
22 during the succeeding three fiscal years; and

23 (2) may not reduce the percentage of revenue from that
24 tax allocated for a purpose described by Section 351.101(a)(3) to a
25 percentage that is less than the average percentage of the revenue
26 from that tax allocated by the municipality for the purpose
27 described by Section 351.101(a)(3) during the 36-month period

1 preceding the date the municipality begins using revenue for a
2 purpose described by this section.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2023.