

By: Morrison

H.B. No. 2497

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.10713 to read as follows:

Sec. 351.10713. ALLOCATION OF REVENUE FOR CONSTRUCTION, EXPANSION, AND OPERATION OF RECREATIONAL OR SPORTS FACILITIES AND FIELDS BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality that is the county seat of a county:

(1) that borders the Gulf of Mexico; and

(2) through which the Colorado River flows.

(b) Notwithstanding any other provision of this chapter and subject to Subsections (c), (d), and (e), a municipality to which this section applies may, for the purpose of promoting tourism and the convention and hotel industry, use revenue derived from the municipal hotel occupancy tax to:

(1) construct and expand recreational or sports facilities and fields owned by the municipality or another governmental entity; and

(2) operate recreational or sports facilities and fields owned by the municipality or another governmental entity.

(c) A municipality to which this section applies that uses municipal hotel occupancy tax revenue for a purpose described by

1 Subsection (b)(1):

2 (1) shall determine the amount of municipal hotel  
3 occupancy tax revenue generated for the municipality by hotel  
4 activity attributable to the events held at the recreational or  
5 sports facilities and fields for five years after the date the  
6 construction or expansion of the facilities and fields is complete;

7 (2) may not spend municipal hotel occupancy tax  
8 revenue for a purpose described by Subsection (b)(1) in a total  
9 amount that exceeds the amount of area hotel revenue attributable  
10 to the construction or expansion of the facilities and fields; and

11 (3) shall reimburse from the municipality's general  
12 fund any expenditure in excess of the amount of area hotel revenue  
13 attributable to the construction or expansion of the facilities and  
14 fields to the municipality's hotel occupancy tax revenue fund.

15 (d) A municipality to which this section applies may not use  
16 municipal hotel occupancy tax revenue for a purpose described by  
17 Subsection (b)(2) in an amount each year that exceeds the amount of  
18 area hotel revenue in that year attributable to events held at the  
19 recreational or sports facilities and fields.

20 (e) If a municipality to which this section applies uses  
21 revenue derived from the municipal hotel occupancy tax for a  
22 purpose described by Subsection (b), the municipality may not  
23 reduce the percentage of revenue from that tax allocated for a  
24 purpose described by Section 351.101(a)(3) to a percentage that is  
25 less than the average percentage of that revenue allocated by the  
26 municipality for that purpose during the 36-month period preceding  
27 the date the municipality begins using the revenue for a purpose

1 described by Subsection (b).

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