

By: Stucky, Hayes, Thimesch, Bumgarner

H.B. No. 5105

A BILL TO BE ENTITLED

AN ACT

relating to authorizing certain counties to impose a hotel occupancy tax and the use of revenue from that tax.

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

SECTION 1. Section 352.002, Tax Code, is amended by adding Subsection (v) to read as follows:

(v) The commissioners court of a county with a population of more than 650,000 that is adjacent to two counties, each having a population of more than 1.8 million, may impose a tax as provided by Subsection (a). A tax imposed under this subsection does not apply to a hotel that is located within a 2.5-mile radius of the intersection of:

(1) the Dallas North Tollway; and

(2) U.S. Highway 380.

SECTION 2. Section 352.003, Tax Code, is amended by adding Subsection (bb) to read as follows:

(bb) The tax rate in a county authorized to impose the tax under Section 352.002(v) may not exceed two percent of the price paid for a room in a hotel.

SECTION 3. Subchapter B, Chapter 352, Tax Code, is amended by adding Section 352.115 to read as follows:

Sec. 352.115. USE OF REVENUE: CERTAIN COUNTIES ADJACENT TO POPULOUS COUNTIES. (a) This section applies only to a county authorized to impose a tax under this chapter by Section

1 352.002(v).

2 (b) The revenue from a tax imposed under this chapter by a  
3 county to which this section applies may be used only for the  
4 development, construction, maintenance, operation, improvement,  
5 and marketing and promotion of a multipurpose sports and event  
6 complex that will substantially increase regional sporting and  
7 other events that produce supplemental economic activity at hotels  
8 in the county.

9 (c) A county to which this section applies shall establish a  
10 project functionality and marketing advisory committee. The  
11 commissioners court of the county shall appoint members to the  
12 committee. The committee must consist of at least nine and not more  
13 than 14 members, at least seven of whom must be hotel owners or  
14 operators or destination marketing organization representatives  
15 from municipalities in which the county imposes the tax authorized  
16 under this chapter.

17 (d) The committee described by Subsection (c) shall review  
18 and make quarterly recommendations to the county on ways to  
19 maximize the functionality and marketing of the multipurpose sports  
20 and event complex described by Subsection (b).

21 (e) A county to which this section applies shall finance at  
22 least 40 percent of the annual maintenance and operation costs for  
23 the multipurpose sports and event complex described by Subsection  
24 (b) from revenue other than revenue attributable to the tax imposed  
25 under this chapter.

26 SECTION 4. This Act takes effect September 1, 2023.