

By: McLaughlin

H.B. No. 2965

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of a hotel occupancy tax in and the use of hotel occupancy tax revenue by certain counties.

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

SECTION 1. Section 352.002(d), Tax Code, is amended to read as follows:

(d) The tax imposed by a county authorized by Subsection (a)(6), (8), (9), (10), (11), (14), (15), (16), (17), (19), (20), (21), (23), or (29) to impose the tax does not apply to a hotel located in a municipality that imposes a tax under Chapter 351 applicable to the hotel. This subsection does not apply to:

(1) a county authorized by Subsection (a)(6) to impose the tax that:

(A) has a population of less than 50,000 and adjoins the most populous county in this state; or

(B) has a population of more than 200,000 and borders the Neches River; or

(2) a county authorized by Subsection (a)(9) to impose the tax that has a population of more than 11,000.

SECTION 2. Section 352.110, Tax Code, is amended to read as follows:

Sec. 352.110. USE OF REVENUE; CERTAIN COUNTIES LOCATED WHOLLY IN EDWARDS AQUIFER AUTHORITY. A county authorized to impose a tax by Section 352.002(a)(15) may use the revenue from the tax

1 only as follows:

2 (1) 75 percent of the revenue for the purposes
3 described by Section 351.101(a) and only in relation to
4 unincorporated areas of the county [~~promotion of tourism and~~
5 ~~lodging~~]; and

6 (2) notwithstanding Section 352.1015, 25 percent of
7 the revenue for:

8 (A) the removal of trash and litter in the
9 state-owned rivers and riverbeds located within the boundaries of
10 the county; and

11 (B) the provision and maintenance of litter
12 containers on or adjacent to state-owned rivers and riverbeds
13 primarily used by lodging guests and located within the boundaries
14 of the county.

15 SECTION 3. Subchapter B, Chapter 352, Tax Code, is amended
16 by adding Section 352.117 to read as follows:

17 Sec. 352.117. USE OF REVENUE: CERTAIN COUNTIES THROUGH
18 WHICH THE FRIO RIVER FLOWS. (a) Subject to Subsection (b), in
19 addition to the purposes authorized by this chapter, the revenue
20 from a tax imposed under this chapter by a county authorized to
21 impose the tax under Section 352.002(a)(16) may be used for:

22 (1) the removal of trash and litter in the parts of
23 state-owned rivers and riverbeds located within the boundaries of
24 the county; and

25 (2) the provision and maintenance of litter containers
26 on or adjacent to parts of state-owned rivers and riverbeds that
27 are:

1 (A) primarily used by lodging guests; and

2 (B) located within the boundaries of the county.

3 (b) A county to which this section applies shall spend 25
4 percent of the revenue derived in a fiscal year from the tax
5 authorized by this chapter for the purposes authorized under
6 Subsection (a).

7 SECTION 4. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2025.