

By: Troxclair

H.B. No. 3118

Substitute the following for H.B. No. 3118:

By: Capriglione

C.S.H.B. No. 3118

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 351.101(a), Tax Code, is amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording,

1 and other arts related to the presentation, performance, execution,
2 and exhibition of these major art forms;

3 (5) historical restoration and preservation projects
4 or activities or advertising and conducting solicitations and
5 promotional programs to encourage tourists and convention
6 delegates to visit preserved historic sites or museums:

7 (A) at or in the immediate vicinity of convention
8 center facilities or visitor information centers; or

9 (B) located elsewhere in the municipality or its
10 vicinity that would be frequented by tourists and convention
11 delegates;

12 (6) expenses, including promotion expenses, directly
13 related to a sporting event in which the majority of participants
14 are tourists who substantially increase economic activity at hotels
15 and motels within the municipality or its vicinity if:

16 (A) the municipality is located in a county with
17 a population of one million or less;

18 (B) the municipality has a population of more
19 than 67,000 and is located in two counties with 90 percent of the
20 municipality's territory located in a county with a population of
21 at least 800,000, and the remaining territory located in a county
22 with a population of at least four million; ~~or~~

23 (C) the municipality has a population of at least
24 200,000 and shares a border with:

25 (i) a municipality with a population of at
26 least 62,000 that:

27 (a) borders Lake Ray Hubbard; and

(b) is located in two counties, one of which has a population of less than 110,000; and

(ii) Lake Ray Hubbard; or

(D) the municipality:

(i) has a population of at least 9,000;

(ii) is wholly located in a county in which the State Capitol is located; and

(iii) is adjacent to or bisected by State Highway 71;

(7) subject to Section 351.1076, the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

(i) has a population of 80,000 or more and is located in a county that has a population of 610,000 or less;

(ii) has a population of at least 80,000 but not more than 125,000 and is located in a county that has a population of less than 240,000 but more than 233,500;

(iii) has:

(a) a population of at least 10,000 and is located in a county that has a population of more than 70,000 and borders Lake Livingston; or

(b) a population of 36,000 or more and is located in a county with a population of less than 95,000 that borders Oklahoma;

(iv) has a population of at least 13,000 but less than 48,000 and is located in a county that has a population of at least 200,000;

(v) has a population of at least 70,000 but less than 90,000 and no part of which is located in a county with a population greater than 150,000;

(vi) is located in a county that:

(a) is adjacent to the Texas-Mexico border;

(b) has a population of at least 500,000; and

(c) does not have a municipality with a population greater than 500,000;

(vii) is located in a county that has a population of 100,000 or less and the municipality has a population of:

(a) more than 24,400 and less than 25,000; or

(b) more than 28,150 and less than 31,000;

(viii) is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located;

(ix) has a population of at least 40,000 and the San Marcos River flows through the municipality;

(x) has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's

territory located in a county with a population of at least 800,000,
and the remaining territory located in a county with a population of
at least four million;

(xi) contains an intersection of
Interstates 35E and 35W and at least two public universities; or

(xii) is described by Subdivision (6)(C);
and

(C) the sports facilities and fields have been
used, in the preceding calendar year, a combined total of more than
10 times for district, state, regional, or national sports
tournaments;

(8) for a municipality with a population of at least
70,000 but less than 90,000, no part of which is located in a county
with a population greater than 150,000, the construction,
improvement, enlarging, equipping, repairing, operation, and
maintenance of a coliseum or multiuse facility;

(9) signage directing the public to sights and
attractions that are visited frequently by hotel guests in the
municipality;

(10) the construction, improvement, enlarging,
equipping, repairing, operation, and maintenance of a coliseum or
multiuse facility, if the municipality:

(A) has a population of at least 90,000 but less
than 120,000; and

(B) is located in two counties, at least one of
which contains the headwaters of the San Gabriel River; and

(11) for a municipality with a population of more than

1 175,000 but less than 225,000 that is located in two counties, each
2 of which has a population of less than 200,000, the construction,
3 improvement, enlarging, equipping, repairing, operation, and
4 maintenance of a coliseum or multiuse facility and related
5 infrastructure or a venue, as defined by Section 334.001(4), Local
6 Government Code, that is related to the promotion of tourism.

7 SECTION 2. Section 351.1066(a), Tax Code, is amended to
8 read as follows:

9 (a) This section applies only to:

10 (1) a municipality with a population of at least 3,500
11 but less than 5,500 that is the county seat of a county with a
12 population of less than 50,000 that borders a county with a
13 population of more than 1.6 million;

14 (2) a municipality with a population of at least 2,800
15 but less than 3,500 that is the county seat of a county with a
16 population of less than 22,000 that is bordered by the Trinity River
17 and includes a state park and a portion of a wildlife management
18 area;

19 (3) a municipality with a population of at least 8,000
20 that is located in a county that borders the Pecos River and that
21 has a population of not more than 15,000;

22 (4) a municipality with a population of not more than
23 15,000 that is located in a county through which the Frio River
24 flows and an interstate highway crosses, and that has a population
25 of at least 15,000;

26 (5) a municipality with a population of not less than
27 7,500 that is located in a county with a population of not less than

1 40,000 but less than 250,000 that is adjacent to a county with a
2 population of less than 750;

3 (6) a municipality that is the county seat of a county
4 with a population of at least 8,500 and that county contains part of
5 the Chaparral Wildlife Management Area; ~~and~~

6 (7) a municipality that has a population of not more
7 than 25,000, that contains a cultural heritage museum, and that is
8 located in a county that borders the United Mexican States and the
9 Gulf of Mexico; and

10 (8) a municipality that:

11 (A) has a population of at least 9,000;

12 (B) is wholly located in a county in which the
13 State Capitol is located; and

14 (C) is adjacent to or bisected by State Highway
15 71.

16 SECTION 3. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2025.