

By: Troxclair

H.B. No. 3118

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the use of municipal hotel occupancy tax revenue in
3 certain municipalities.

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

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

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

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

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

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

20 (4) the encouragement, promotion, improvement, and
21 application of the arts, including instrumental and vocal music,
22 dance, drama, folk art, creative writing, architecture, design and
23 allied fields, painting, sculpture, photography, graphic and craft
24 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

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

3 (ii) Lake Ray Hubbard; or

4 (D) the municipality has a population of at least
5 19,000 and is wholly located in a county in which the State Capitol
6 is located;

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

10 (A) the municipality owns the facilities or
11 fields;

12 (B) the municipality:

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

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

18 (iii) has:

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

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

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

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

4 (vi) is located in a county that:

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

7 (b) has a population of at least
8 500,000; and

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

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

14 (a) more than 24,400 and less than
15 25,000; or

16 (b) more than 28,150 and less than
17 31,000;

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

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

23 (x) has a population of more than 67,000 and
24 is located in two counties with 90 percent of the municipality's
25 territory located in a county with a population of at least 800,000,
26 and the remaining territory located in a county with a population of
27 at least four million;

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

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

5 (C) the sports facilities and fields have been
6 used, in the preceding calendar year, a combined total of more than
7 10 times for district, state, regional, or national sports
8 tournaments;

9 (8) for a municipality with a population of at least
10 70,000 but less than 90,000, no part of which is located in a county
11 with a population greater than 150,000, the construction,
12 improvement, enlarging, equipping, repairing, operation, and
13 maintenance of a coliseum or multiuse facility;

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

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

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

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

24 (11) for a municipality with a population of more than
25 175,000 but less than 225,000 that is located in two counties, each
26 of which has a population of less than 200,000, the construction,
27 improvement, enlarging, equipping, repairing, operation, and

1 maintenance of a coliseum or multiuse facility and related
2 infrastructure or a venue, as defined by Section 334.001(4), Local
3 Government Code, that is related to the promotion of tourism.

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

6 (a) This section applies only to:

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

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

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

19 (4) a municipality with a population of not more than
20 15,000 that is located in a county through which the Frio River
21 flows and an interstate highway crosses, and that has a population
22 of at least 15,000;

23 (5) a municipality with a population of not less than
24 7,500 that is located in a county with a population of not less than
25 40,000 but less than 250,000 that is adjacent to a county with a
26 population of less than 750;

27 (6) a municipality that is the county seat of a county

1 with a population of at least 8,500 and that county contains part of
2 the Chaparral Wildlife Management Area; ~~and~~

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

7 (8) a municipality that has a population of at least
8 19,000 and is wholly located in a county in which the State Capitol
9 is located.

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