

1-1 By: Johnson S.B. No. 1262
 1-2 (In the Senate - Filed February 28, 2019; March 7, 2019,
 1-3 read first time and referred to Committee on Natural Resources &
 1-4 Economic Development; April 8, 2019, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 10,
 1-6 Nays 0; April 8, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1262 By: Zaffirini

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the allocation of hotel occupancy tax revenue collected
 1-24 by certain municipalities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 351.101(a), Tax Code, as amended by
 1-27 Chapters 53 (S.B. 1365), 267 (H.B. 1896), 324 (S.B. 1488), and 785
 1-28 (H.B. 2445), Acts of the 85th Legislature, Regular Session, 2017,
 1-29 is reenacted and amended to read as follows:

1-30 (a) Revenue from the municipal hotel occupancy tax may be
 1-31 used only to promote tourism and the convention and hotel industry,
 1-32 and that use is limited to the following:

1-33 (1) the acquisition of sites for and the construction,
 1-34 improvement, enlarging, equipping, repairing, operation, and
 1-35 maintenance of convention center facilities or visitor information
 1-36 centers, or both;

1-37 (2) the furnishing of facilities, personnel, and
 1-38 materials for the registration of convention delegates or
 1-39 registrants;

1-40 (3) advertising and conducting solicitations and
 1-41 promotional programs to attract tourists and convention delegates
 1-42 or registrants to the municipality or its vicinity;

1-43 (4) the encouragement, promotion, improvement, and
 1-44 application of the arts, including instrumental and vocal music,
 1-45 dance, drama, folk art, creative writing, architecture, design and
 1-46 allied fields, painting, sculpture, photography, graphic and craft
 1-47 arts, motion pictures, radio, television, tape and sound recording,
 1-48 and other arts related to the presentation, performance, execution,
 1-49 and exhibition of these major art forms;

1-50 (5) historical restoration and preservation projects
 1-51 or activities or advertising and conducting solicitations and
 1-52 promotional programs to encourage tourists and convention
 1-53 delegates to visit preserved historic sites or museums:

1-54 (A) at or in the immediate vicinity of convention
 1-55 center facilities or visitor information centers; or

1-56 (B) located elsewhere in the municipality or its
 1-57 vicinity that would be frequented by tourists and convention
 1-58 delegates;

1-59 (6) expenses, including promotion expenses, directly
 1-60 related to a sporting event in which the majority of participants

2-1 are tourists who substantially increase economic activity at hotels
2-2 and motels within the municipality or its vicinity if:

2-3 (A) the municipality is located in a county with
2-4 a population of one million or less; [~~or~~]

2-5 (B) the municipality has a population of more
2-6 than 67,000 and is located in two counties with 90 percent of the
2-7 municipality's territory located in a county with a population of
2-8 at least 580,000, and the remaining territory located in a county
2-9 with a population of at least four million; or

2-10 (C) the municipality has a population of at least
2-11 200,000 and shares a border with:

2-12 (i) a municipality described by Section
2-13 351.102(e)(7); and

2-14 (ii) Lake Ray Hubbard;

2-15 (7) subject to Section 351.1076, the promotion of
2-16 tourism by the enhancement and upgrading of existing sports
2-17 facilities or fields if:

2-18 (A) the municipality owns the facilities or
2-19 fields;

2-20 (B) the municipality:

2-21 (i) has a population of 80,000 or more and
2-22 is located in a county that has a population of 350,000 or less;

2-23 (ii) has a population of at least 75,000 but
2-24 not more than 95,000 and is located in a county that has a
2-25 population of less than 200,000 but more than 160,000;

2-26 (iii) has a population of at least 36,000
2-27 but not more than 39,000 and is located in a county that has a
2-28 population of 100,000 or less that is not adjacent to a county with
2-29 a population of more than two million;

2-30 (iv) has a population of at least 13,000 but
2-31 less than 39,000 and is located in a county that has a population of
2-32 at least 200,000;

2-33 (v) has a population of at least 70,000 but
2-34 less than 90,000 and no part of which is located in a county with a
2-35 population greater than 150,000;

2-36 (vi) is located in a county that:

2-37 (a) is adjacent to the Texas-Mexico
2-38 border;

2-39 (b) has a population of at least
2-40 500,000; and

2-41 (c) does not have a municipality with
2-42 a population greater than 500,000;

2-43 (vii) has a population of at least 25,000
2-44 but not more than 26,000 and is located in a county that has a
2-45 population of 90,000 or less;

2-46 (viii) is located in a county that has a
2-47 population of not more than 300,000 and in which a component
2-48 university of the University of Houston System is located;

2-49 (ix) has a population of at least 40,000 and
2-50 the San Marcos River flows through the municipality; [~~or~~]

2-51 (x) has a population of more than 67,000 and
2-52 is located in two counties with 90 percent of the municipality's
2-53 territory located in a county with a population of at least 580,000,
2-54 and the remaining territory located in a county with a population of
2-55 at least four million;

2-56 (xi) [~~(x)~~] contains an intersection of
2-57 Interstates 35E and 35W and at least two public universities; or

2-58 (xii) is described by Subdivision (6)(C);
2-59 and

2-60 (C) the sports facilities and fields have been
2-61 used, in the preceding calendar year, a combined total of more than
2-62 10 times for district, state, regional, or national sports
2-63 tournaments;

2-64 (8) for a municipality with a population of at least
2-65 70,000 but less than 90,000, no part of which is located in a county
2-66 with a population greater than 150,000, the construction,
2-67 improvement, enlarging, equipping, repairing, operation, and
2-68 maintenance of a coliseum or multiuse facility;

2-69 (9) signage directing the public to sights and

3-1 attractions that are visited frequently by hotel guests in the
3-2 municipality;

3-3 (10) the construction, improvement, enlarging,
3-4 equipping, repairing, operation, and maintenance of a coliseum or
3-5 multiuse facility, if the municipality:

3-6 (A) has a population of at least 90,000 but less
3-7 than 120,000; and

3-8 (B) is located in two counties, at least one of
3-9 which contains the headwaters of the San Gabriel River; and

3-10 (11) for a municipality with a population of more than
3-11 175,000 but less than 225,000 that is located in two counties, each
3-12 of which has a population of less than 200,000, the construction,
3-13 improvement, enlarging, equipping, repairing, operation, and
3-14 maintenance of a coliseum or multiuse facility and related
3-15 infrastructure or a venue, as defined by Section 334.001(4), Local
3-16 Government Code, that is related to the promotion of tourism.

3-17 SECTION 2. Section 351.103, Tax Code, is amended by adding
3-18 Subsection (b-1) to read as follows:

3-19 (b-1) Notwithstanding Subsection (a), at least 30 percent
3-20 of the hotel occupancy tax revenue collected by a municipality
3-21 described by Section 351.101(a)(6)(C) must be allocated for the
3-22 purposes provided by Section 351.101(a)(3).

3-23 SECTION 3. The change in law made by this Act applies only
3-24 to the allocation of hotel occupancy tax revenue by a municipality
3-25 for a fiscal year that begins on or after the effective date of this
3-26 Act.

3-27 SECTION 4. To the extent of any conflict, this Act controls
3-28 over another Act of the 86th Legislature, Regular Session, 2019,
3-29 relating to nonsubstantive additions to and corrections in enacted
3-30 codes.

3-31 SECTION 5. This Act takes effect September 1, 2019.

3-32 * * * * *