

1-1 By: West S.B. No. 1854
1-2 (In the Senate - Filed March 4, 2025; March 17, 2025, read
1-3 first time and referred to Committee on Economic Development;
1-4 April 28, 2025, reported favorably by the following vote: Yeas 5,
1-5 Nays 0; April 28, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	King	X		
1-9	Sparks	X		
1-10	Alvarado	X		
1-11	Johnson	X		
1-12	Schwertner	X		

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the use of municipal hotel occupancy tax revenue by
1-16 certain municipalities.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Section 351.101(a), Tax Code, is amended to read
1-19 as follows:

1-20 (a) Revenue from the municipal hotel occupancy tax may be
1-21 used only to promote tourism and the convention and hotel industry,
1-22 and that use is limited to the following:

1-23 (1) the acquisition of sites for and the construction,
1-24 improvement, enlarging, equipping, repairing, operation, and
1-25 maintenance of convention center facilities or visitor information
1-26 centers, or both;

1-27 (2) the furnishing of facilities, personnel, and
1-28 materials for the registration of convention delegates or
1-29 registrants;

1-30 (3) advertising and conducting solicitations and
1-31 promotional programs to attract tourists and convention delegates
1-32 or registrants to the municipality or its vicinity;

1-33 (4) the encouragement, promotion, improvement, and
1-34 application of the arts, including instrumental and vocal music,
1-35 dance, drama, folk art, creative writing, architecture, design and
1-36 allied fields, painting, sculpture, photography, graphic and craft
1-37 arts, motion pictures, radio, television, tape and sound recording,
1-38 and other arts related to the presentation, performance, execution,
1-39 and exhibition of these major art forms;

1-40 (5) historical restoration and preservation projects
1-41 or activities or advertising and conducting solicitations and
1-42 promotional programs to encourage tourists and convention
1-43 delegates to visit preserved historic sites or museums:

1-44 (A) at or in the immediate vicinity of convention
1-45 center facilities or visitor information centers; or

1-46 (B) located elsewhere in the municipality or its
1-47 vicinity that would be frequented by tourists and convention
1-48 delegates;

1-49 (6) expenses, including promotion expenses, directly
1-50 related to a sporting event in which the majority of participants
1-51 are tourists who substantially increase economic activity at hotels
1-52 and motels within the municipality or its vicinity if:

1-53 (A) the municipality is located in a county with
1-54 a population of one million or less;

1-55 (B) the municipality has a population of more
1-56 than 67,000 and is located in two counties with 90 percent of the
1-57 municipality's territory located in a county with a population of
1-58 at least 800,000, and the remaining territory located in a county
1-59 with a population of at least four million; ~~or~~

1-60 (C) the municipality has a population of at least
1-61 200,000 and shares a border with:

2-1 (i) a municipality with a population of at
2-2 least 62,000 that:
2-3 (a) borders Lake Ray Hubbard; and
2-4 (b) is located in two counties, one of
2-5 which has a population of less than 110,000; and
2-6 (ii) Lake Ray Hubbard; or
2-7 (D) the sporting event is conducted at a facility
2-8 located in and owned by a municipality:
2-9 (i) located in a county with a population of
2-10 2.2 million or more and that is adjacent to a county with a
2-11 population of more than 850,000; and
2-12 (ii) with a population of:
2-13 (a) more than 51,000 but less than
2-14 57,000; or
2-15 (b) less than 1.3 million and that is
2-16 bisected by Interstate Highway 20 and U.S. Highway 67;
2-17 (7) subject to Section 351.1076, the promotion of
2-18 tourism by the enhancement and upgrading of existing sports
2-19 facilities or fields if:
2-20 (A) the municipality owns the facilities or
2-21 fields;
2-22 (B) the municipality:
2-23 (i) has a population of 80,000 or more and
2-24 is located in a county that has a population of 610,000 or less;
2-25 (ii) has a population of at least 80,000 but
2-26 not more than 125,000 and is located in a county that has a
2-27 population of less than 240,000 but more than 233,500;
2-28 (iii) has:
2-29 (a) a population of at least 10,000
2-30 and is located in a county that has a population of more than 70,000
2-31 and borders Lake Livingston; or
2-32 (b) a population of 36,000 or more and
2-33 is located in a county with a population of less than 95,000 that
2-34 borders Oklahoma;
2-35 (iv) has a population of at least 13,000 but
2-36 less than 48,000 and is located in a county that has a population of
2-37 at least 200,000;
2-38 (v) has a population of at least 70,000 but
2-39 less than 90,000 and no part of which is located in a county with a
2-40 population greater than 150,000;
2-41 (vi) is located in a county that:
2-42 (a) is adjacent to the Texas-Mexico
2-43 border;
2-44 (b) has a population of at least
2-45 500,000; and
2-46 (c) does not have a municipality with
2-47 a population greater than 500,000;
2-48 (vii) is located in a county that has a
2-49 population of 100,000 or less and the municipality has a population
2-50 of:
2-51 (a) more than 24,400 and less than
2-52 25,000; or
2-53 (b) more than 28,150 and less than
2-54 31,000;
2-55 (viii) is located in a county that has a
2-56 population of not more than 300,000 and in which a component
2-57 university of the University of Houston System is located;
2-58 (ix) has a population of at least 40,000 and
2-59 the San Marcos River flows through the municipality;
2-60 (x) has a population of more than 67,000 and
2-61 is located in two counties with 90 percent of the municipality's
2-62 territory located in a county with a population of at least 800,000,
2-63 and the remaining territory located in a county with a population of
2-64 at least four million;
2-65 (xi) contains an intersection of
2-66 Interstates 35E and 35W and at least two public universities; or
2-67 (xii) is described by Subdivision (6)(C);
2-68 and
2-69 (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 175,000 but less than 225,000 that is located in two counties, each of which has a population of less than 200,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4), Local Government Code, that is related to the promotion of tourism.

SECTION 2. This Act takes effect September 1, 2025.

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