

By: _____ .B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to use of municipal hotel occupancy tax revenue for public parks.

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

SECTION 1. Chapter 351, Tax Code, is amended to add section 351.111 to read as follows:

SECTION 351.111. ALLOCATION OF REVENUE FOR PUBLIC PARKS.

(a) Notwithstanding any other provision of this chapter, a municipality with a population of less than 300,000 may use the revenue derived from the tax imposed under this chapter to fund park improvements that are directly related to hotel activity that is attributable to public parks owned by the municipality. An authorized municipality may use no more than 10 percent of municipal hotel occupancy tax revenue collected during the municipality's preceding fiscal year for a purpose authorized under this section.

(b) A municipality that uses municipal hotel occupancy

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tax revenue for a public park improvement under this section shall
not expend local hotel tax for this purpose in an amount that would
exceed the annual amount of municipal hotel night revenue that is
directly attributable to events at the same park or visitation of
the same park by tourists who are staying in hotels within the
municipality or extraterritorial jurisdiction.

(c) A municipality that uses municipal hotel occupancy
tax revenue for a public park under this section shall, in advance
of any such allocation, make a good-faith estimate based on
reasonable documentation of the annual amount of municipal hotel
revenue that will be directly attributable to tourists who visit
that same public park improvement in the municipality and are
staying at hotels within that municipality **or** extraterritorial
jurisdiction.

d) Notwithstanding the 10 percent expenditure limitation
in subsection (a), a municipality may reserve 10 percent or less
of the municipality's collected hotel occupancy tax revenue for no
more than a three year period, and expend that reserved hotel
occupancy tax revenue for a purpose under this section.

(e) A municipality that uses municipal hotel occupancy
tax revenue under this section may not reduce the percentage of
revenue from the tax allocated for a purpose described by Section

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351.101 (a) (3) to a percentage that is less than the average
percentage of that revenue allocated by the municipality for that
purpose during the 36-month period preceding the date the
municipality begins using the revenue for a purpose described by
this section.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.