

CHAPTER 1125

S.B. No. 1532

AN ACT

relating to the uses of local hotel occupancy tax revenue.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subsection (a), Section 3a, Chapter 63, Acts of the 59th Legislature, Regular Session, 1965 (Article 1269j-4.1, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Any such city is hereby authorized to levy by ordinance a tax upon the cost of occupancy of any sleeping room furnished by any hotel, where the cost of occupancy is at the rate of \$2 or more per day. Such tax may not exceed seven percent of the consideration paid by the occupant of the sleeping room to the hotel. Revenues ~~[Any revenues]~~ from ~~the [a] tax [in excess of four percent of the consideration]~~ paid by an occupant of the sleeping room to the hotel may only be used for the purposes specified in Subdivisions (1), (2), ~~[and] (3), (4), and (5)~~ of Subsection (a) of Section 3c. No more than one percent of the consideration paid by an occupant of the sleeping room to the hotel may be used for the purposes specified in Subdivision (4) of Subsection (a) of Section 3c.

SECTION 2. Subsection (a), Section 3c, Chapter 63, Acts of the 59th Legislature, Regular Session, 1965 (Article 1269j-4.1, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The revenue derived from any occupancy tax authorized or validated by this Act may only be used *to promote tourism and the convention and hotel industry, and such use is limited to the following [for]:*

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities including, but not limited to, civic center convention buildings, auditoriums, coliseums, civic theaters, museums, and parking areas or facilities for the parking or storage of motor vehicles or other conveyances located at or in the immediate vicinity of the convention center facilities;

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

(3) for ~~[advertising for]~~ general promotional and tourist advertising of the city and its vicinity and conducting a solicitation and operating a program to attract conventions and visitors either by the city or through contracts with persons or organizations selected by the city;

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

(5) historical preservation and restoration projects or activities at or in the immediate vicinity of convention center facilities or historical preservation and restoration projects or activities located elsewhere in the city that would be frequented by tourists and visitors to the city.

SECTION 3. Subsection (c), Section 3c, Chapter 63, Acts of the 59th Legislature, Regular Session, 1965 (Article 1269j-4.1, Vernon's Texas Civil Statutes), is amended to read as follows:

(c) *Revenue* [~~It is the intent of the legislature that revenues~~] derived from the tax authorized by this Act ~~is~~ ~~[are]~~ to be expended *solely* in a manner directly enhancing and promoting tourism and the convention and hotel industry *as permitted in Subsection (a) of this section*. *Such revenue shall not be used for the general revenue purposes or general governmental operations of a city.*

SECTION 4. This Act takes effect September 1, 1987.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 21, 1987, by a viva-voce vote. Passed the House on May 30, 1987, by a non-record vote.

Approved June 20, 1987.

Effective Sept. 1, 1987.