

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas


5/29/15  
Date

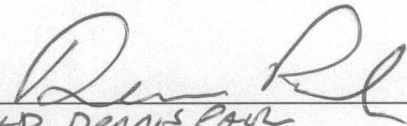
Honorable Dan Patrick  
President of the Senate

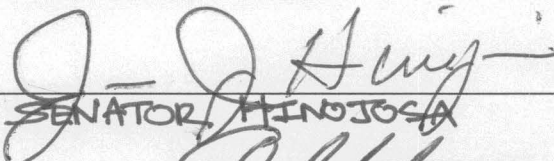
Honorable Joe Straus  
Speaker of the House of Representatives

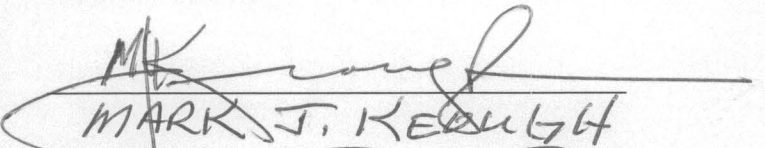
Sirs:

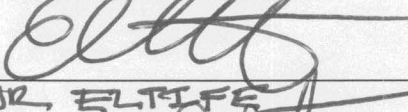
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 1585 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

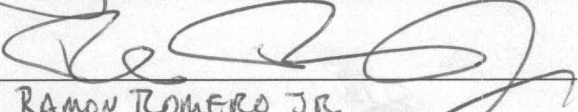
  
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SENATOR TAYLOR, L.

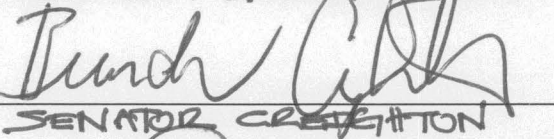
  
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REP DENNIS PAUL

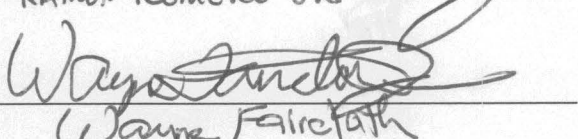
  
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SENATOR HINOJOSA

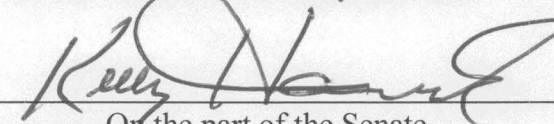
  
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MARK J. KEOUGH

  
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SENATOR ELTIFE

  
\_\_\_\_\_  
RAMON ROMERO JR.

  
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SENATOR CREIGHTON

  
\_\_\_\_\_  
Wayne Faircloth

  
\_\_\_\_\_  
On the part of the Senate  
SENATOR HANCOCK

\_\_\_\_\_  
On the part of the House

### Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 1585

A BILL TO BE ENTITLED

AN ACT

1

2 relating to the use of hotel occupancy tax revenue in certain  
3 municipalities.

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

5 SECTION 1. Section 351.101, Tax Code, is amended by adding  
6 Subsection (j) to read as follows:

7 (j) In addition to the purposes provided by Subsection (a),  
8 a municipality that has a population of not more than 5,000 and at  
9 least part of which is located less than one-eighth of one mile from  
10 a space center operated by an agency of the federal government may  
11 use revenue from the municipal hotel occupancy tax for expenses,  
12 including promotion expenses, directly related to a sporting event  
13 in which the majority of participants are tourists who  
14 substantially increase economic activity at hotels and motels  
15 within the municipality or its vicinity.

16 SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended  
17 by adding Section 351.1071 to read as follows:

18 Sec. 351.1071. ALLOCATION OF REVENUE: CERTAIN  
19 MUNICIPALITIES. (a) This section applies only to a municipality:

20 (1) that has a population of not more than 5,000; and

21 (2) at least part of which is located less than  
22 one-eighth of one mile from a space center operated by an agency of  
23 the federal government.

24 (b) In this section, "authorized facility" means a civic

1 center, marina, meeting room, hotel, parking facility, or visitor  
2 center, including signage related to the facility, that:

3 (1) is owned by the municipality or a nonprofit  
4 corporation acting on behalf of the municipality;

5 (2) is located not more than 1,000 feet from a hotel  
6 property in the municipality; and

7 (3) substantially enhances hotel activity and  
8 encourages tourism within the municipality.

9 (c) Subject to Subsection (d) and notwithstanding any other  
10 provision of this chapter, a municipality to which this section  
11 applies may use the amount of revenue derived from the application  
12 of the tax under this chapter at a rate of three percent of the price  
13 paid for a room in a hotel to:

14 (1) establish, acquire, purchase, construct, improve,  
15 maintain, or operate an authorized facility; and

16 (2) pay bonds issued for a purpose described by  
17 Subdivision (1).

18 (d) A municipality may not use municipal hotel occupancy tax  
19 revenue on an authorized facility in a total amount that would  
20 exceed the amount of hotel revenue attributable to events at that  
21 facility for the 15-year period following the completion of  
22 construction.

23 (e) A municipality that uses municipal hotel occupancy tax  
24 revenue for a purpose authorized by this section shall publish  
25 annually for the 15-year period following the completion of  
26 construction at the authorized facility for which the revenue was  
27 used a report on the Internet website of the municipality that

1 lists:

2 (1) for the preceding year, the events held at the  
3 authorized facility with respect to which the tax revenue was used  
4 and the number of hotel room nights attributable to those events;  
5 and

6 (2) the amount of hotel revenue and municipal hotel  
7 occupancy tax revenue attributable to events held at the authorized  
8 facility in that year.

9 (f) If a municipality uses municipal hotel occupancy tax  
10 revenue to establish, acquire, purchase, construct, or improve an  
11 authorized facility, the municipality shall, on the 5th, 10th, and  
12 15th anniversaries of the completion of construction at the  
13 facility:

14 (1) calculate:

15 (A) the sum of:

16 (i) municipal hotel occupancy tax revenue  
17 used to maintain or operate the facility in the past five years;

18 (ii) one-third of the amount of municipal  
19 hotel occupancy tax revenue used to establish, acquire, purchase,  
20 construct, or improve the authorized facility; and

21 (iii) any credits carried over from a  
22 previous five-year period, as authorized by Subsection (g); and

23 (B) hotel revenue directly attributable to  
24 events held at the authorized facility in the past five years; and

25 (2) if the amount calculated under Subdivision (1)(A)  
26 exceeds the amount calculated under Subdivision (1)(B), reimburse  
27 the municipality's hotel occupancy tax revenue fund from the

1 municipality's general fund in the amount of the difference.

2 (g) If, for a given five-year period, the amount calculated  
3 under Subsection (f)(1)(B) exceeds the amount calculated under  
4 Subsection (f)(1)(A), the municipality may carry forward the  
5 difference to be used as a credit in a subsequent five-year period.

6 SECTION 3. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2015.

**House Bill 1585**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

*No equivalent provision.*

SECTION \_\_. Section 2303.003(8), Government Code, is amended. [FA2]

Same as House version.

SECTION 1. Section 351.101, Tax Code, is amended.

SECTION 1. Same as House version.

SECTION 1. Same as House version.

SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1071. Among other provisions, Subsections (d) and (f) are added to read as follows:

SECTION 2. Same as House version except as follows:

SECTION 2. Same as Senate version.

(d) A municipality may not use municipal hotel occupancy tax revenue on an authorized facility in a total amount that would exceed the amount of *that* revenue attributable to events at that facility for the 15-year period following the completion of construction.

(d) A municipality may not use municipal hotel occupancy tax revenue on an authorized facility in a total amount that would exceed the amount of *hotel* revenue attributable to events at that facility for the 15-year period following the completion of construction. [FA1(1)]

(f) If a municipality uses municipal hotel occupancy tax revenue to establish, acquire, purchase, construct, or improve an authorized facility, the municipality shall, on the 5th, 10th, and 15th anniversaries of the completion of construction at the facility:

(f) If a municipality uses municipal hotel occupancy tax revenue to establish, acquire, purchase, construct, or improve an authorized facility, the municipality shall, on the 5th, 10th, and 15th anniversaries of the completion of construction at the facility:

(1) calculate:

(1) calculate:

(A) the sum of:

(A) the sum of:

(i) municipal hotel occupancy tax revenue used to maintain or operate the facility in the past five years;

(i) municipal hotel occupancy tax revenue used to maintain or operate the facility in the past five years;

(ii) one-third of the amount of municipal hotel occupancy tax revenue used to establish, acquire, purchase, construct, or improve the authorized facility; and

(ii) one-third of the amount of municipal hotel occupancy tax revenue used to establish, acquire, purchase, construct, or improve the authorized facility; and

(iii) any credits carried over from a previous five-year period,

(iii) any credits carried over from a previous five-year period,

**House Bill 1585**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

as authorized by Subsection (g); and  
(B) *municipal hotel occupancy tax revenue* directly  
attributable to events held at the authorized facility in the past  
five years; and  
(2) if the amount calculated under Subdivision (1)(A) exceeds  
the amount calculated under Subdivision (1)(B), reimburse the  
municipality's hotel occupancy tax revenue fund from the  
municipality's general fund in the amount of the difference.

SECTION 3. Effective date.

SENATE VERSION (IE)

as authorized by Subsection (g); and  
(B) *hotel revenue* directly attributable to events held at the  
authorized facility in the past five years; and [FA1(2)]  
  
(2) if the amount calculated under Subdivision (1)(A) exceeds  
the amount calculated under Subdivision (1)(B), reimburse the  
municipality's hotel occupancy tax revenue fund from the  
municipality's general fund in the amount of the difference.

SECTION 3. Same as House version.

CONFERENCE

SECTION 3. Same as House version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 30, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1585** by Paul (Relating to the use of hotel occupancy tax revenue in certain municipalities.), **Conference Committee Report**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes. The bill would add Section 351.1071, regarding the allocation of revenue in certain municipalities, that would apply only to a municipality with a population of not more than 5,000 and located less than one-eighth of one mile from a space center operated by an agency of the federal government.

An applicable municipality would be authorized to use 3 percent of the 7 percent municipal hotel tax to 1) establish, acquire, purchase, construct, improve, maintain, or operate an authorized facility; and 2) pay bonds issued to establish, acquire, purchase, construct, improve, maintain, or operate an authorized facility. The total amount of municipal hotel tax used on an authorized facility could not exceed the amount of revenue from hotel tax attributable to events at the facility over the 15-year period after the completion of construction, and the bill would provide procedures to determine if that requirement was met.

**Local Government Impact**

Under the provisions of the bill, the city of Nassau Bay would qualify, based on that city's U.S. Census Bureau city population count in the 2010 census and its proximity to NASA's Johnson Space Center. The bill would have no revenue implications; it would, however, affect how a Nassau Bay uses revenue collected from the municipal hotel occupancy tax.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, AG, KK, SD



**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order under Rule 13.

I certify that a copy of the conference committee report on HB 1585 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

  
\_\_\_\_\_  
(name)

5-29-15  
\_\_\_\_\_  
(date)