

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

MAY 30, 2015

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 HB3615 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.

*Zaffirini*

ZAFFIRINI

*Jason Isaac*  
REP. JASON ISAAC

*Birdwell*

BIRDWELL

*John Cyrier*  
REP. JOHN CYRIER

*Campbell*

CAMPBELL

*Donna Howard*  
REP. DONNA HOWARD

*Atwood*

ATWOOD

*Eddie Rodriguez*  
REP. EDDIE RODRIGUEZ

*Kel Seliger*

On the part of the Senate

SELIGER

*Drew Springer*

On the part of the House

REP. DREW SPRINGER

## 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. 3615

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the use of hotel occupancy tax revenues in certain  
3 municipalities.

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

5 SECTION 1. Section 351.101(a), Tax Code, as amended by  
6 Chapters 541 (S.B. 551) and 546 (S.B. 585), Acts of the 83rd  
7 Legislature, Regular Session, 2013, is reenacted and amended to  
8 read as follows:

9 (a) Revenue from the municipal hotel occupancy tax may be  
10 used only to promote tourism and the convention and hotel industry,  
11 and that use is limited to the following:

12 (1) the acquisition of sites for and the construction,  
13 improvement, enlarging, equipping, repairing, operation, and  
14 maintenance of convention center facilities or visitor information  
15 centers, or both;

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

19 (3) advertising and conducting solicitations and  
20 promotional programs to attract tourists and convention delegates  
21 or registrants to the municipality or its vicinity;

22 (4) the encouragement, promotion, improvement, and  
23 application of the arts, including instrumental and vocal music,  
24 dance, drama, folk art, creative writing, architecture, design and

1 allied fields, painting, sculpture, photography, graphic and craft  
2 arts, motion pictures, radio, television, tape and sound recording,  
3 and other arts related to the presentation, performance, execution,  
4 and exhibition of these major art forms;

5 (5) historical restoration and preservation projects  
6 or activities or advertising and conducting solicitations and  
7 promotional programs to encourage tourists and convention  
8 delegates to visit preserved historic sites or museums:

9 (A) at or in the immediate vicinity of convention  
10 center facilities or visitor information centers; or

11 (B) located elsewhere in the municipality or its  
12 vicinity that would be frequented by tourists and convention  
13 delegates;

14 (6) for a municipality located in a county with a  
15 population of one million or less, expenses, including promotion  
16 expenses, directly related to a sporting event in which the  
17 majority of participants are tourists who substantially increase  
18 economic activity at hotels and motels within the municipality or  
19 its vicinity;

20 (7) subject to Section 351.1076, the promotion of  
21 tourism by the enhancement and upgrading of existing sports  
22 facilities or fields, including facilities or fields for baseball,  
23 softball, soccer, ~~and~~ flag football, and rodeos, if:

24 (A) the municipality owns the facilities or  
25 fields;

26 (B) the municipality:

27 (i) has a population of 80,000 or more and

1 is located in a county that has a population of 350,000 or less;

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

5 (iii) has a population of at least 36,000  
6 but not more than 39,000 and is located in a county that has a  
7 population of 100,000 or less that is not adjacent to a county with  
8 a population of more than two million;

9 (iv) has a population of at least 13,000 but  
10 less than 39,000 and is located in a county that has a population of  
11 at least 200,000;

12 (v) has a population of at least 70,000 but  
13 less than 90,000 and no part of which is located in a county with a  
14 population greater than 150,000;

15 (vi) is located in a county that:

16 (a) is adjacent to the Texas-Mexico  
17 border;

18 (b) has a population of at least  
19 500,000; and

20 (c) does not have a municipality with  
21 a population greater than 500,000;

22 (vii) has a population of at least 25,000  
23 but not more than 26,000 and is located in a county that has a  
24 population of 90,000 or less; [~~or~~]

25 (viii) has a population of at least 7,500  
26 and is located in a county that borders the Pecos River and that has  
27 a population of not more than 15,000;

1                    (ix) [~~viii~~] is located in a county that  
2 has a population of not more than 300,000 and in which a component  
3 university of the University of Houston System is located; or

4                    (x) has a population of at least 40,000 and  
5 the San Marcos River flows through the municipality; and

6                    (C) the sports facilities and fields have been  
7 used, in the preceding calendar year, a combined total of more than  
8 10 times for district, state, regional, or national sports  
9 tournaments;

10                    (8) for a municipality with a population of at least  
11 70,000 but less than 90,000, no part of which is located in a county  
12 with a population greater than 150,000, the construction,  
13 improvement, enlarging, equipping, repairing, operation, and  
14 maintenance of a coliseum or multiuse facility;

15                    (9) signage directing the public to sights and  
16 attractions that are visited frequently by hotel guests in the  
17 municipality;

18                    (10) the construction of a recreational venue in the  
19 immediate vicinity of area hotels, if:

20                    (A) the municipality:

21                                (i) is a general-law municipality;

22                                (ii) has a population of not more than 900;

23 and

24                                (iii) does not impose an ad valorem tax;

25                    (B) not more than \$100,000 of municipal hotel  
26 occupancy tax revenue is used for the construction of the  
27 recreational venue;

1 (C) a majority of the hotels in the municipality  
2 request the municipality to construct the recreational venue;

3 (D) the recreational venue will be used primarily  
4 by hotel guests; and

5 (E) the municipality will pay for maintenance of  
6 the recreational venue from the municipality's general fund;

7 (11) the construction, improvement, enlarging,  
8 equipping, repairing, operation, and maintenance of a coliseum or  
9 multiuse facility, if the municipality:

10 (A) has a population of at least 90,000 but less  
11 than 120,000; and

12 (B) is located in two counties, at least one of  
13 which contains the headwaters of the San Gabriel River; and

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

21 SECTION 2. Section 351.101, Tax Code, is amended by adding  
22 Subsection (k) to read as follows:

23 (k) In addition to other authorized uses, a municipality  
24 that is intersected by both State Highways 71 and 95 may use revenue  
25 from the municipal hotel occupancy tax for the promotion of tourism  
26 by the enhancement and upgrading of an existing sports facility or  
27 field as specified by Subsection (a)(7), provided that the

1 requirements of Subsections (a)(7)(A) and (C) are met.

2           SECTION 3. To the extent of any conflict, this Act prevails  
3 over another Act of the 84th Legislature, Regular Session, 2015,  
4 relating to nonsubstantive additions to and corrections in enacted  
5 codes.

6           SECTION 4. 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 3615**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 351.101(a), Tax Code, as amended by Chapters 541 (S.B. 551) and 546 (S.B. 585), Acts of the 83rd Legislature, Regular Session, 2013, is reenacted and amended to read as follows:

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

(1) - (6)

(7) subject to Section 351.1076, the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields, including facilities or fields for baseball, softball, soccer, *and* flag football, if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

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

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

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

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

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

(vi) is located in a county that:

SENATE VERSION (CS)

SECTION 1. Section 351.101(a), Tax Code, as amended by Chapters 541 (S.B. 551) and 546 (S.B. 585), Acts of the 83rd Legislature, Regular Session, 2013, is reenacted and amended to read as follows:

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

(1) - (6)

(7) subject to Section 351.1076, the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields, including facilities or fields for baseball, softball, soccer, [~~and~~] flag football, and rodeos, if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

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

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

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

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

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

(vi) is located in a county that:

CONFERENCE

SECTION 1. Same as Senate version.

**House Bill 3615**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

- (a) is adjacent to the Texas-Mexico border;
- (b) has a population of at least 500,000; and
- (c) does not have a municipality with a population greater than 500,000;
- (vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less; [Ø]
- (viii) has a population of at least 7,500 and is located in a county that borders the Pecos River and that has a population of not more than 15,000;
- (ix) [(viii)] is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located; or
- (x) has a population of at least 40,000 and the San Marcos River flows through the municipality; and
- (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) - (12)

*No equivalent provision.*

SENATE VERSION (CS)

- (a) is adjacent to the Texas-Mexico border;
- (b) has a population of at least 500,000; and
- (c) does not have a municipality with a population greater than 500,000;
- (vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less; [Ø]
- (viii) has a population of at least 7,500 and is located in a county that borders the Pecos River and that has a population of not more than 15,000;
- (ix) [(viii)] is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located; or
- (x) has a population of at least 40,000 and the San Marcos River flows through the municipality; and
- (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) - (12)

SECTION 2. Section 351.101, Tax Code, is amended by adding Subsection (k) to read as follows:  
(k) In addition to other authorized uses, a municipality that is intersected by both State Highways 71 and 95 may use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7), provided that the requirements of Subsections (a)(7)(A) and (C) are met.

CONFERENCE

SECTION 2. Same as Senate version.

**House Bill 3615**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

*No equivalent provision.*

SECTION 3. Section 352.002, Tax Code, is amended.

Same as House version.

*No equivalent provision.*

SECTION 4. Section 352.003, Tax Code, is amended..

Same as House version.

SECTION 2. To the extent of any conflict, this Act prevails over another Act of the 84th Legislature, Regular Session, 2015, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 5. Same as House version.

SECTION 3. Same as House version.

SECTION 3. Effective date.

SECTION 6. Same as House version.

SECTION 4. Same as House version.

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**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:** **HB3615** by Isaac (Relating to the use of hotel occupancy tax revenues in certain municipalities.), **Conference Committee Report**

<b>No fiscal implication to the State is anticipated.</b>
---

The bill would amend Section 351.101 to add to the municipalities authorized to use municipal hotel tax revenue for the enhancement of sports facilities or fields a municipality with a population of at least 40,000 through which the San Marcos River flows. In addition, the types of sports facilities and fields specified in law would be expanded to include rodeos.

The bill would amend Section 351.101 to add Subsection (k) to permit a city that is intersected by both State Highways 71 and 95 to use revenue from the municipal hotel occupancy tax for an existing sports facility, provided the city owns the facility and the facility was used in the preceding calendar year a combined total of more than 10 times for district, state, regional, or national sports tournaments.

**Local Government Impact**

The bill would allow the cities of San Marcos and Bastrop to use municipal hotel tax revenue for certain sports facilities. For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although, it could create a savings if another revenue source had been used for the enhancement of sports facilities.

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

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

**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:** **HB3615** by Isaac (Relating to the use of hotel occupancy tax revenues in certain municipalities and the authority of certain counties to impose a county hotel occupancy tax; authorizing the imposition of a tax.), **Conference Committee Report**

<p><b>No fiscal implication to the State is anticipated.</b></p>
--

The bill would amend Section 351.101 to add to the municipalities authorized to use municipal hotel tax revenue for the enhancement of sports facilities or fields a municipality with a population of at least 40,000 through which the San Marcos River flows. In addition, the types of sports facilities and fields specified in law would be expanded to include rodeos.

The bill would amend Section 351.101 to add Subsection (k) to permit a city that is intersected by both State Highways 71 and 95 to use revenue from the municipal hotel occupancy tax for an existing sports facility, provided the city owns the facility and the facility was used in the preceding calendar year a combined total of more than 10 times for district, state, regional, or national sports tournaments.

**Local Government Impact**

The bill would allow the cities of San Marcos and Bastrop to use municipal hotel tax revenue for certain sports facilities. For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although, it could create a savings if another revenue source had been used for the enhancement of sports facilities.

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

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

**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 3615 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.

Jason Isaac  
(name)

5-30-2015  
(date)