

## **BILL ANALYSIS**

Senate Research Center  
88R24366 SRA-F

H.B. 5105  
By: Stucky et al. (Springer)  
Natural Resources & Economic Development  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, Denton County does not fit into brackets outlined by Section 352.002, despite it having a considerable population, two large universities, and adjacency to two of the largest counties in Texas.

Denton County also has a burgeoning tourism industry, with locations like the town square and numerous music festivals bringing in visitors year-round. This bill allows Denton County to qualify for a hotel occupancy tax, so that the county can maintain infrastructure to support growing tourism and visitation in the county.

H.B. 5105 amends current law relating to authorizing certain counties to impose a hotel occupancy tax and the use of revenue from that tax.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 352.002, Tax Code, by adding Subsection (v), as follows:

(v) Authorizes the commissioners court of a county with a population of more than 650,000 that is adjacent to two counties, each having a population of more than 1.8 million, to impose a tax as provided by Subsection (a). Provides that a tax imposed under this subsection does not apply to a hotel that is located within a 2.5-mile radius of the intersection of the Dallas North Tollway and U.S. Highway 380.

SECTION 2. Amends Section 352.003, Tax Code, by adding Subsection (bb), to prohibit the tax rate in a county authorized to impose the tax under Section 352.002(v) from exceeding two percent of the price paid for a room in a hotel.

SECTION 3. Amends Subchapter B, Chapter 352, Tax Code, by adding Section 352.115, as follows:

Sec. 352.115. USE OF REVENUE: CERTAIN COUNTIES ADJACENT TO POPULOUS COUNTIES. (a) Provides that this section applies only to a county authorized to impose a tax under Chapter 352 (County Hotel Occupancy Taxes) by Section 352.002(v).

(b) Authorizes the revenue from a tax imposed under this chapter by a county to which this section applies to be used only for the development, construction, maintenance, operation, improvement, and marketing and promotion of a multipurpose sports and event complex that will substantially increase regional sporting and other events that produce supplemental economic activity at hotels in the county.

(c) Requires a county to which this section applies to establish a project functionality and marketing advisory committee (committee). Requires the commissioners court of the county to appoint members to the committee. Requires the committee to consist of at least nine and not more than 14 members, at least seven of whom must be hotel owners or operators or destination marketing organization representatives from municipalities in which the county imposes the tax authorized under this chapter.

(d) Requires the committee to review and make quarterly recommendations to the county on ways to maximize the functionality and marketing of the multipurpose sports and event complex described by Subsection (b).

(e) Requires a county to which this section applies to finance at least 40 percent of the annual maintenance and operation costs for the multipurpose sports and event complex described by Subsection (b) from revenue other than revenue attributable to the tax imposed under this chapter.

SECTION 4. Effective date: September 1, 2023.