AN ACT
relating to authorizing certain counties to impose a hotel
occupancy tax, the applicability and rates of that tax in certain
counties, and the use of revenue from that tax.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 352.002, Tax Code, is amended by
amending Subsection (d) and adding Subsections (bb) and (dd) to
read as follows:
(d) The tax imposed by a county authorized by Subsection
(a)(6) (a)(4), (6), (8), (9), (10), (11), (14), (15), (17), (19),
(20), (21), (23), or (29) to impose the tax does not apply to a hotel
located in a municipality that imposes a tax under Chapter 351
applicable to the hotel. This subsection does not apply to:
(1) a county authorized by Subsection (a)(6) to impose
the tax that:
(A) has a population of less than 40,000 and
adjoins the most populous county in this state; or
(B) has a population of more than 200,000 and
borders the Neches River; or
(2) a county authorized by Subsection (a)(9) to impose
the tax that has a population of more than 9,000.
(bb) The commissioners court of a county with a population
of less than 60,000 in which an annual strawberry festival is held
in a location that is not the county seat of the county may impose a
tax as provided by Subsection (a).
(dd) The commissioners court of a county with a population
of not more than 40,000 that borders the Red River and includes a
wildlife management area may impose a tax as provided by Subsection
(a). A tax imposed under this subsection does not apply to a hotel
located in a municipality that imposes a tax under Chapter 351
applicable to the hotel.
SECTION 2. Section 352.003, Tax Code, is amended by adding
Subsections (y) and (z) to read as follows:
(y) The tax rate in a county authorized to impose the tax
under Section 352.002(a)(4) may not exceed two percent of the price
paid for a room in a hotel.
(z) The tax rate in a county authorized to impose the tax
under Section 352.002(bb) may not exceed two percent of the price
paid for a room in a hotel.
SECTION 3. Subchapter B, Chapter 352, Tax Code, is amended
by adding Sections 352.112 and 352.114 to read as follows:
Sec. 352.112. USE OF REVENUE: CERTAIN COUNTIES HOLDING AN
ANNUAL STRAWBERRY FESTIVAL. The revenue from a tax imposed under
this chapter by a county authorized to impose the tax under Section
352.002(bb) may be used only for the construction, enlarging,
equipping, improvement, maintenance, repairing, and operation of a
civic center with an arena used for rodeos, livestock shows, and
agricultural expositions to substantially enhance hotel activity
and encourage tourism.
Sec. 352.114. USE OF REVENUE: CERTAIN COUNTIES CONTAINING
AN INDIAN RESERVATION. (a) In addition to the purposes authorized
by this chapter, the revenue from a tax imposed under this chapter
by a county authorized to impose the tax under Section
352.002(a)(4) may be used to make repairs and improvements to the
county airport or to provide reimbursement for repairs and
improvements to the airport.
(b) A county to which this section applies may not use
revenue from a tax imposed under this chapter for a purpose
described by Subsection (a) in a total amount that would exceed the amount of hotel revenue in the county that is likely to be reasonably attributable to guests traveling through the airport during the 15-year period beginning on the date the county first uses the tax revenue for that purpose.

(c) A county to which this section applies may not use revenue from a tax imposed under this chapter for a purpose described by Subsection (a) after the 10th anniversary of the date the county first uses the revenue for that purpose.

SECTION 4. This Act takes effect September 1, 2021.