under Subsection (a) fails to issue the certificate or statement within the period provided by Subsection (c), the purchaser is released from the obligation to withhold the purchase price or pay the amount due.

Added by Acts 1991, 72nd Leg., ch. 328, Sec. 2, eff. Aug. 26, 1991.

Sec. 352.005. REIMBURSEMENT FOR TAX COLLECTION EXPENSES. A county may permit a person who is required to collect and pay over to the county the tax authorized by this chapter not more than one percent of the amount collected and required to be reported as reimbursement to the person for the costs in collecting the tax.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1993, 73rd Leg., ch. 643, Sec. 2, eff. Sept. 1, 1993.

Sec. 352.007. EXEMPTION. (a) A United States governmental entity described in Section 156.103(a) is exempt from the payment of tax authorized by this chapter.

(b) A state governmental entity subject to the tax imposed by Chapter 156 under Section 156.103(b) shall pay the tax imposed by this chapter but is entitled to a refund of the tax paid.

(c) A person who is described by Section 156.103(d) is exempt from the payment of the tax authorized by this chapter.

(d) A person who is described by Section 156.103(c) shall pay the tax imposed by this chapter but the state governmental entity with whom the person is associated is entitled to a refund of the tax paid.

(e) To receive a refund of a tax paid under this chapter, the governmental entity entitled to the refund must file a refund claim on a form provided by the county and containing the information required by the county. The comptroller by rule shall prescribe the form that must be used and the information that must be provided.

(f) A governmental entity may file a refund claim with the county under this chapter only for each calendar quarter for all reimbursements accrued during that quarter. The county may adopt a

resolution to enforce this section.

(g) The right to use or possess a room in a hotel is exempt from taxation under this chapter if the person required to collect the tax receives, in good faith from a guest, an exemption certificate stating qualification for an exemption provided in Subsection (c). The exemption must be supported by the documentation required under rules adopted by the comptroller and the county.

Added by Acts 1989, 71st Leg., ch. 504, Sec. 3, eff. Sept. 1, 1989. Renumbered from Sec. 352.006 by Acts 1990, 71st Leg., 6th C.S., ch. 12, Sec. 2(33), eff. Sept. 6, 1990. Amended by Acts 1995, 74th Leg., ch. 454, Sec. 8, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1467, Sec. 2.74, eff. Oct. 1, 1999; Acts 2003, 78th Leg., ch. 209, Sec. 88, eff. Oct. 1, 2003.

SUBCHAPTER B. USE AND ALLOCATION OF REVENUE

Sec. 352.101. USE OF REVENUE IN POPULOUS COUNTIES. (a) The revenue from a tax imposed under this chapter by a county having a population of more than 3.3 million may be used only for:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of public improvements such as civic centers, civic center buildings, auditoriums, exhibition halls, coliseums, and stadiums, including sports and other facilities that serve the purpose of attracting visitors and tourists to the county, and parking areas or facilities for the parking or storage of motor vehicles or other conveyances, hotels owned by a municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within 1,000 feet of a convention center owned by a municipality with a population of 1,500,000 or more, or a historic hotel owned by a municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within one mile of a convention center owned by a municipality with a population of 1,500,000 or more;

(2) the furnishing of facilities, personnel, and materials

for the registration of convention delegates or registrants; and

(3) general promotion and tourist advertising of the county and its vicinity and conducting a solicitation program to attract conventions and visitors, any of which may be conducted by the county or through contracts with persons or organizations selected by the county.

(b) A county having a population of more than 3.3 million shall endeavor to coordinate its promotional and advertising activities conducted under authority of Subsection (a)(3) with the city having the largest population in the county.

(c) A county to which this section applies may delegate the authority to spend the county's hotel occupancy tax revenue to a private organization only through a contract. The contract must require the organization to select a new governing body as soon as practicable after the contract takes effect and to limit the composition of its governing body to not more than 54 members, and provide that the appointment, election, or other designation of each member of the governing body be submitted to and approved by the governing body of the county as long as the contract is in effect. The contract is not valid unless before the contract is executed the private organization amends its charter, bylaws, or other governing rules to conform to the requirements of this subsection.

(d) Subsection (c) does not apply to any private entity, person, or organization that receives tax revenue under Section 351.101(a) and makes expenditures pursuant to Section 351.101(a)(4).

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.26(a), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1110, Sec. 14, eff. Oct. 1, 1989; Acts 1993, 73rd Leg., ch. 231, Sec. 2, eff. Aug. 30, 1993; Acts 1997, 75th Leg., ch. 165, Sec. 30.275, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 669, Sec. 127, 128, eff. Sept. 1, 2001.

Sec. 352.1015. USE OF REVENUE: GENERAL PROVISIONS. (a) The commissioners court of a county by contract may delegate to a person, including another governmental entity or a private organization, the

management or supervision of programs and activities funded with revenue from the tax authorized by this chapter. The commissioners court in writing shall approve in advance the annual budget of the person to which it delegates those functions and shall require the person to make periodic reports to the commissioners court at least quarterly listing the expenditures made by the person with revenue derived from the tax authorized by this chapter. The person must maintain revenue provided from the tax authorized by this chapter in a separate account established for that purpose and may not commingle that revenue with any other money. The commissioners court may not delegate to any person the management or supervision of its tourist and convention programs and activities funded with revenue from the tax authorized by this chapter other than by contract as provided by this subsection. The approval by the commissioners court of the county of the annual budget of the person to whom the commissioners court delegates those functions creates a fiduciary duty in the person with respect to the revenue provided by the tax authorized under the contract.

(b) A person with whom a county contracts under this section shall maintain complete and accurate financial records of each expenditure of hotel occupancy tax revenue made by the person and, on request of the commissioners court of the county or other person, shall make the records available for inspection and review to the commissioners court or other person.

(c) Hotel occupancy tax revenue spent for a purpose authorized by this section may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing expenditures authorized by the applicable provisions of this subchapter governing the use of revenue by that particular county. If a county or other public or private entity that conducts an activity authorized by the applicable provisions of this subchapter governing the use of revenue by that particular county conducts other activities that are not authorized, the portion of the total administrative costs of the entity for which hotel occupancy tax revenue may be used may not exceed the portion of those administrative costs actually incurred in conducting the authorized activities.

(d) County hotel occupancy tax revenue may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of tourism and the convention and hotel industry or the performance of the person's job in an efficient and professional manner.

(e) Revenue derived from the tax authorized by this chapter is to be expended in a manner directly enhancing and promoting tourism and the convention and hotel industry as permitted by the applicable provisions of this subchapter governing the use of revenue by that particular county. That revenue may not be used for the general revenue purposes or general governmental operations of a county.

Added by Acts 1993, 73rd Leg., ch. 643, Sec. 3, eff. Sept. 1, 1993.

Sec. 352.102. USE OF REVENUE: COUNTIES BORDERING MEXICO. (a) Except as provided by Subsection (b), the revenue from a tax imposed under this chapter by a county that borders the Republic of Mexico and that is further described by Section 352.002(a)(2) may only be used for:

(1) the purposes provided by Sections 351.101(a)(1) and (2);

(2) general promotion and tourist advertising of the county and its vicinity and conducting a solicitation program to attract conventions and visitors, any of which may be conducted by the county or through contracts with persons or organizations selected by the county; or

(3) the encouragement, promotion, improvement, or application of historical preservation and restoration either by the county or through contracts with persons or organizations selected by the county.

(b) A county that borders the Republic of Mexico and that is further described by Section 352.002(a)(2) may use 15 percent or less of the revenue collected each fiscal year from the tax imposed under this chapter for the purposes provided by Section 351.101(a)(4).

(c) A county that borders the Republic of Mexico and that is further described by Section 352.002(a)(12) shall use at least one-third of the revenue collected each fiscal year from the tax imposed

under this chapter for the purposes authorized by this chapter in unincorporated areas of the county.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.26(b), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1110, Sec. 15, eff. Oct. 1, 1989; Acts 1991, 72nd Leg., ch. 273, Sec. 1, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 643, Sec. 4, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 418, Sec. 3, eff. May 28, 1997.

Sec. 352.103. USE OF REVENUE: COUNTIES WITH NO MUNICIPALITY. The revenue from a tax imposed under this chapter by a county that has no municipality may be used only for:

(1) the purposes provided by Sections 351.101(a)(1), (2), and (4);

(2) advertising for general promotional and tourist advertising of the county and conducting a solicitation program to attract conventions and visitors either by the county or through contracts with persons or organizations selected by the commissioners court; and

(3) historical preservation and restoration.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1993, 73rd Leg., ch. 643, Sec. 4, eff. Sept. 1, 1993.

Sec. 352.1031. GENERAL LIMITATIONS ON USE OF REVENUE. (a) Except as otherwise explicitly provided, revenue derived from the tax authorized by this chapter may be used only for the purposes stated in Section 351.101.

(b) Revenue derived from the tax authorized by this chapter may not be used for the general revenue purposes or general governmental operations of a county.

Added by Acts 1989, 71st Leg., ch. 1110, Sec. 9, eff. Oct. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 3, Sec. 7.04, eff. Sept. 1, 1991.

Sec. 352.1032. USE OF REVENUE: COUNTIES BORDERING EDWARDS AQUIFER AUTHORITY. The revenue from a tax imposed under this chapter by a county authorized to impose the tax by Section 352.002(a)(5) may be used only for:

(1) general promotional and tourist advertising of the county and its vicinity and for conducting a solicitation program to attract conventions and visitors, any of which may be conducted by the county or through contracts with persons or organizations selected by the county; and

(2) acquiring a site for and constructing, improving, enlarging, equipping, repairing, operating, and maintaining a visitor information center.

Added by Acts 1989, 71st Leg., ch. 1110, Sec. 16, eff. Oct. 1, 1989. Renumbered from Sec. 352.1031 by Acts 1990, 71st Leg., 6th C.S., ch. 12, Sec. 2(34), eff. Sept. 6, 1990. Amended by Acts 1995, 74th Leg., ch. 673, Sec. 2, eff. June 15, 1995; Acts 2003, 78th Leg., ch. 637, Sec. 2, eff. Sept. 1, 2003.

Sec. 352.1033. USE OF REVENUE; COUNTIES BORDERING THE GULF OF MEXICO. (a) The revenue from a tax imposed under this chapter by a county that borders the Gulf of Mexico authorized to impose the tax by Section 352.002(a)(6) may be used only to:

(1) clean public beaches;

(2) acquire, furnish, or maintain facilities, including parks, that enhance public access to beaches;

(3) provide and maintain public restrooms on or adjacent to beaches or beach access facilities;

(4) provide and maintain litter containers on or adjacent to beaches or beach access facilities;

(5) create, renovate, promote, and maintain parks adjacent to bays, rivers, and other navigable waterways if the county does not operate a public beach on the Gulf of Mexico; and

(6) advertise and conduct solicitations and promotional programs to attract tourists and convention delegates or registrants

to the county or its vicinity, any of which may be conducted by the county or through contracts with persons or organizations selected by the county.

(b) A county that borders the Gulf of Mexico and that is authorized to impose the tax by Section 352.002(a)(6) may use 50 percent or less of the revenue from the tax for the promotion of tourism.

Added by Acts 1991, 72nd Leg., 1st C.S., ch. 3, Sec. 7.05, eff. Sept. 1, 1991. Amended by Acts 1993, 73rd Leg., ch. 503, Sec. 1, eff. Aug. 30, 1993; Acts 1993, 73rd Leg., ch. 643, Sec. 4, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 165, Sec. 29.11, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 284, Sec. 1, eff. May 26, 1997.

Text of section as added by Acts 2007, 80th Leg., R.S., Ch. 749, Sec. 3

For text of section as added by Acts 2007, 80th Leg., R.S., Ch. 1359, Sec. 3, see other Sec. 352.1034.

For expiration of this section, see Subsection (e).

Sec. 352.1034. USE OF REVENUE AND RELATED ISSUES: MID-SIZED COUNTY BORDERING BRAZOS AND NAVASOTA RIVERS. (a) This section applies only to a county authorized to impose a tax by Section 352.002(f).

(b) The county must spend at least 45 percent of the revenue from the tax on marketing projects that directly promote tourism, hotel, and convention activity.

(c) The county shall produce an annual report indicating the tourism, hotel, and convention activity attributable to events held at facilities that receive money from the tax.

(d) The county shall create an advisory committee to oversee spending of the tax. The committee must include at least two representatives from the hotel industry.

(e) This section expires September 1, 2015.

Added by Acts 2007, 80th Leg., R.S., Ch. 749, Sec. 3, eff. June 15, 2007.

Text of section as added by Acts 2007, 80th Leg., R.S., Ch. 1359, Sec. 3

For text of section as added by Acts 2007, 80th Leg., R.S., Ch. 749, Sec. 3, see other Sec. 352.1034.

Sec. 352.1034. CERTAIN COUNTIES BORDERING WHITNEY LAKE. The revenue from a tax imposed under this chapter by a county authorized to impose the tax by Section 352.002(a)(23) may be used only for the purpose described in Section 352.101(a)(3) and only in relation to unincorporated areas of the county.

Added by Acts 2007, 80th Leg., R.S., Ch. 1359, Sec. 3, eff. June 15, 2007.

Sec. 352.104. PLEDGE FOR BONDS. A county may pledge the revenue derived from the tax imposed under this chapter for the payment of bonds that are issued by the county under Section 1477.303, Government Code, for one or more of the purposes provided by Section 352.101.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.370, eff. Sept. 1, 2001.

Sec. 352.105. ALLOCATION OF REVENUE: COUNTIES OF MORE THAN 3.3 MILLION. In each county fiscal year, a county with a population of more than 3.3 million that levies a tax under this chapter must spend for the purposes provided by Section 352.101(a)(3) an amount that is not less than 15 percent of the amount of revenue derived from the application of the tax at a rate of one percent.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 14.26(c), eff. Aug. 28, 1989. Amended by Acts 2001, 77th Leg., ch. 669, Sec. 129, eff. Sept. 1, 2001.

Sec. 352.106. USE OF REVENUE; CERTAIN COUNTIES BORDERING MEXICO. The revenue from a tax imposed under this chapter by a county authorized to impose the tax by Section 352.002(a)(11) may be used for the bond debt service, construction, maintenance, or operation of a special events facility with a seating capacity of at least 8,000.

Added by Acts 1995, 74th Leg., ch. 673, Sec. 3, eff. June 15, 1995.

Sec. 352.107. HOTEL TAX AUTHORIZED FOR COUNTY DEVELOPMENT DISTRICTS. Notwithstanding any other provision of this chapter to the contrary, a commissioners court of a county with a population of less than 600,000 may impose a hotel occupancy tax not to exceed seven percent on a person who pays for the use or possession or for the right to the use or possession of a room in a hotel ordinarily used for sleeping that is located within the boundaries of the county development district created under Subchapter D, Chapter 312, and that is not located within the corporate limits of a municipality, subject to the limitations set forth in Sections 352.002(b) and (c). Taxes collected by a county under this section shall be remitted to the county development district not later than the 10th day after the date the county receives such funds and may be used by the district for the purposes for which sales and use tax proceeds may be used by the district.

Added by Acts 1995, 74th Leg., ch. 995, Sec. 6, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 669, Sec. 130, eff. Sept. 1, 2001.

Sec. 352.108. USE OF REVENUE; CERTAIN COUNTIES THAT BORDER MEXICO AND CONTAIN A NATIONAL RECREATION AREA. A county authorized

to impose a tax under this chapter by Section 352.002(a)(12) may use the revenue from the tax only as follows:

(1) 75 percent of the revenue for the promotion of tourism; and

(2) notwithstanding Section 352.1015, 25 percent of the revenue for the general revenue purposes or general governmental operations of the county.

Added by Acts 1997, 75th Leg., ch. 417, Sec. 2, eff. May 28, 1997.

Sec. 352.109. RECORDS. (a) A county shall maintain a record that accurately identifies the receipt and expenditure of all revenue derived from the tax imposed under this chapter.

(b) A county or entity that spends revenue derived from the tax imposed under this chapter shall, before making an expenditure, specify in a list each scheduled activity or event that:

(1) is directly funded by the tax or is offered by an entity that has its administrative costs funded wholly or partly by the tax; and

(2) directly promotes tourism and hotel and convention activity.

(b-1) A county authorized by Section 352.002(a-1) to impose a tax under this chapter shall produce an annual report that describes the tourism, hotel, and convention activity that is attributable to events held at facilities that received funding from the tax during the period covered by the report.

(c) If the commissioners court of a county delegates to another entity the management or supervision of an activity or event funded by the tax imposed under this chapter, each entity that is ultimately funded by the tax shall, before making an expenditure, specify in a list each scheduled activity or event that:

(1) is directly funded by the tax or is offered by an entity that has its administrative costs funded wholly or partly by the tax; and

(2) directly promotes tourism and hotel and convention activity.

(d) Subsections (b) and (c) do not prevent the county or funded

entity from subsequently adding an activity or event to the list required by those subsections if the activity or event directly promotes tourism and hotel and convention activity.

(e) This section does not prevent a county or funded entity from setting aside tax revenue in a designated reserve fund for use in supporting planned activities, future events, and facility improvements that directly promote tourism and hotel and convention activity.

(f) For the purposes of this section, all expenditures for a sports and community venue project and related infrastructure, as those terms are defined by Section 334.001, Local Government Code, are a single scheduled activity or event.

Added by Acts 2001, 77th Leg., ch. 1458, Sec. 1.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 167, Sec. 3, eff. May 22, 2007.