

AN ACT

1
2 relating to the use of certain tax revenue by certain
3 municipalities and to the entitlement of certain municipalities to
4 certain tax revenue related to a hotel and convention center
5 project.

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

7 SECTION 1. Section 351.101(n), Tax Code, is amended to read
8 as follows:

9 (n) In addition to other authorized uses, a municipality
10 that has a population of not more than 1,500 and is located in a
11 county that borders Arkansas and Louisiana may use revenue from the
12 municipal hotel occupancy tax for the promotion of tourism by the
13 enhancement and upgrading of an existing sports facility or field
14 as specified by Subsection (a)(7), provided that the requirements
15 of Subsection [~~Subsections~~] (a)(7)(A) [~~and (C)~~] and Section
16 351.1076 are met.

17 SECTION 2. Section 351.10712(a), Tax Code, is amended to
18 read as follows:

19 (a) This section applies only to:

20 (1) a municipality with a population of at least
21 95,000 that is located in a county that is bisected by United States
22 Highway 385 and has a population of not more than 140,000; and

23 (2) a municipality located in a county that has a
24 population of not more than 300,000 and in which a component

1 university of the University of Houston System is located.

2 SECTION 3. Section 351.152, Tax Code, is amended to read as
3 follows:

4 Sec. 351.152. APPLICABILITY. This subchapter applies only
5 to:

6 (1) a municipality described by Section
7 351.001(7)(B);

8 (2) a municipality described by Section
9 351.001(7)(D);

10 (3) a municipality described by Section
11 351.001(7)(E);

12 (4) a municipality described by Section
13 351.102(e)(3);

14 (5) a municipality that contains more than 75 percent
15 of the population of a county with a population of 1.5 million or
16 more;

17 (6) a municipality with a population of 150,000 or
18 more but less than 200,000 that is partially located in at least one
19 county with a population of 125,000 or more;

20 (7) a municipality with a population of 150,000 or
21 more but less than one million that is located in one county with a
22 population of 2.3 million or more;

23 (8) a municipality with a population of 180,000 or
24 more that:

25 (A) is located in two counties, each with a
26 population of 100,000 or more; and

27 (B) contains an American Quarter Horse Hall of

1 Fame and Museum;

2 (9) a municipality with a population of 96,000 or more
3 that is located in a county that borders Lake Palestine;

4 (10) a municipality with a population of 96,000 or
5 more that is located in a county that contains the headwaters of the
6 San Gabriel River;

7 (11) a municipality with a population of 99,900 or
8 more but less than 111,000 that is located in a county with a
9 population of 135,000 or more;

10 (12) a municipality with a population of 110,000 or
11 more but less than 135,000 at least part of which is located in a
12 county with a population of less than 135,000;

13 (13) a municipality with a population of 9,000 or more
14 but less than 10,000 that is located in two counties, each of which
15 has a population of 662,000 or more and a southern border with a
16 county with a population of 2.3 million or more;

17 (14) a municipality with a population of 200,000 or
18 more but less than 300,000 that contains a component institution of
19 the Texas Tech University System;

20 (15) a municipality with a population of 95,000 or
21 more that:

22 (A) is located in more than one county; and

23 (B) borders Lake Lewisville;

24 (16) a municipality with a population of 45,000 or
25 more that:

26 (A) contains a portion of Cedar Hill State Park;

27 (B) is located in two counties, one of which has a

1 population of two million or more and one of which has a population
2 of 149,000 or more; and

3 (C) has adopted a capital improvement plan for
4 the construction or expansion of a convention center facility;

5 (17) a municipality with a population of less than
6 6,000 that:

7 (A) is almost wholly located in a county with a
8 population of 600,000 or more that is adjacent to a county with a
9 population of two million or more;

10 (B) is partially located in a county with a
11 population of 1.8 million or more that is adjacent to a county with
12 a population of two million or more;

13 (C) has a visitor center and museum located in a
14 19th-century rock building in the municipality's downtown; and

15 (D) has a waterpark open to the public;

16 (18) a municipality with a population of 56,000 or
17 more that:

18 (A) borders Lake Ray Hubbard; and

19 (B) is located in two counties, one of which has a
20 population of less than 80,000;

21 (19) a municipality with a population of 83,000 or
22 more that:

23 (A) borders Clear Lake; and

24 (B) is primarily located in a county with a
25 population of less than 300,000;

26 (20) a municipality with a population of less than
27 2,000 that:

1 (A) is located adjacent to a bay connected to the
2 Gulf of Mexico;

3 (B) is located in a county with a population of
4 290,000 or more that is adjacent to a county with a population of
5 four million or more; and

6 (C) has a boardwalk on the bay;

7 (21) a municipality with a population of 75,000 or
8 more that:

9 (A) is located wholly in one county with a
10 population of 575,000 or more that is adjacent to a county with a
11 population of four million or more; and

12 (B) has adopted a capital improvement plan for
13 the construction or expansion of a convention center facility;

14 (22) a municipality with a population of less than
15 75,000 that is located in three counties, at least one of which has
16 a population of four million or more;

17 (23) an eligible coastal municipality with a
18 population of 3,000 or more but less than 5,000;

19 (24) a municipality with a population of 90,000 or
20 more but less than 150,000 that:

21 (A) is located in three counties; and

22 (B) contains a branch campus of a component
23 institution of the University of Houston System;

24 (25) a municipality that is:

25 (A) primarily located in a county with a
26 population of four million or more; and

27 (B) connected by a bridge to a municipality

1 described by Subdivision (20);

2 (26) a municipality with a population of 20,000 or
3 more but less than 25,000 that:

4 (A) contains a portion of Mustang Bayou; and

5 (B) is wholly located in a county with a
6 population of less than 500,000;

7 (27) a municipality with a population of 70,000 or
8 more but less than 90,000 that is located in two counties, one of
9 which has a population of four million or more and the other of
10 which has a population of less than 50,000;

11 (28) a municipality with a population of 10,000 or
12 more that:

13 (A) is wholly located in a county with a
14 population of four million or more; and

15 (B) has a city hall located less than three miles
16 from a space center operated by an agency of the federal government;

17 (29) a municipality that is the county seat of a
18 county:

19 (A) through which the Pedernales River flows; and

20 (B) in which the birthplace of a president of the
21 United States is located;

22 (30) a municipality that contains a portion of U.S.
23 Highway 79 and State Highway 130;

24 (31) a municipality with a population of 48,000 or
25 more but less than 95,000 that is located in two counties, one of
26 which has a population of 900,000 or more but less than 1.7 million;

27 (32) a municipality with a population of less than

1 25,000 that contains a museum of Western American art;

2 (33) a municipality with a population of 50,000 or
3 more that is the county seat of a county that contains a portion of
4 the Sam Houston National Forest;

5 (34) a municipality with a population of less than
6 25,000 that:

7 (A) contains a cultural heritage museum; and

8 (B) is located in a county that borders the
9 United Mexican States and the Gulf of Mexico;

10 (35) a municipality that is the county seat of a county
11 that:

12 (A) has a population of 115,000 or more;

13 (B) is adjacent to a county with a population of
14 1.8 million or more; and

15 (C) hosts an annual peach festival;

16 (36) a municipality that is the county seat of a county
17 that:

18 (A) has a population of 585,000 or more; and

19 (B) is adjacent to a county with a population of
20 four million or more;

21 (37) a municipality with a population of less than
22 10,000 that:

23 (A) contains a component university of The Texas
24 A&M University System; and

25 (B) is located in a county adjacent to a county
26 that borders Oklahoma;

27 (38) a municipality with a population of less than

1 6,100 that:

2 (A) is located in two counties, each of which has
3 a population of 600,000 or more but less than two million; and

4 (B) hosts an annual Cajun Festival;

5 (39) a municipality with a population of 13,000 or
6 more that:

7 (A) is located on an international border; and

8 (B) is located in a county:

9 (i) with a population of less than 400,000;

10 and

11 (ii) in which at least one World Birding
12 Center site is located;

13 (40) a municipality with a population of 4,000 or more
14 that:

15 (A) is located on an international border; and

16 (B) is located not more than five miles from a
17 state historic site that serves as a visitor center for a state park
18 that contains 300,000 or more acres of land;

19 (41) a municipality with a population of 36,000 or
20 more that is adjacent to at least two municipalities described by
21 Subdivision (15); ~~and~~

22 (42) a municipality with a population of 28,000 or
23 more in which is located a historic railroad depot and heritage
24 center;

25 (43) a municipality located in a county that has a
26 population of not more than 300,000 and in which a component
27 university of the University of Houston System is located;

1 (44) a municipality with a population of less than
2 500,000 that is:

3 (A) located in two counties; and

4 (B) adjacent to a municipality described by
5 Subdivision (31); and

6 (45) a municipality that:

7 (A) has a population of more than 67,000; and

8 (B) is located in two counties with 90 percent of
9 the municipality's territory located in a county with a population
10 of at least 580,000, and the remaining territory located in a county
11 with a population of at least four million.

12 SECTION 4. Sections 351.157(a), (b), (c), and (e), Tax
13 Code, are amended to read as follows:

14 (a) In this section, "qualified establishment" means an
15 establishment:

16 (1) that is located on land:

17 (A) owned by a municipality; or

18 (B) owned by any person if the establishment is
19 located in a municipality described by Section 351.152(3) or owned
20 by the federal government if the establishment is located in a
21 municipality described by Section 351.152(6);

22 (2) the nearest exterior wall of which is located not
23 more than 1,000 feet from the nearest exterior wall of a qualified
24 hotel or qualified convention center facility;

25 (3) that is constructed:

26 (A) on or after the date the municipality
27 commences a qualified project under this subchapter; or

1 (B) at any time if the establishment is located
2 in a municipality described by Section 351.152(3);

3 (4) that is not a sports stadium; and

4 (5) that is the type of establishment described by
5 Subsection (c) from which the municipality is entitled to receive
6 revenue under Subsection (d).

7 (b) This section applies only to:

8 (1) a municipality described by Section 351.152(3);

9 (2) a municipality described by Section 351.152(6);

10 (3) a municipality described by Section 351.152(7);

11 (4) a municipality described by Section 351.152(10);

12 (4-a) a municipality described by Section
13 351.152(14);

14 (5) a municipality described by Section 351.152(16);

15 (6) a municipality described by Section 351.152(22);

16 (7) a municipality described by Section 351.152(25);

17 (8) a municipality described by Section 351.152(34);

18 (9) a municipality described by Section 351.152(35);

19 (10) a municipality described by Section 351.152(36);

20 [~~and~~]

21 (11) a municipality described by Section 351.152(38);i

22 and

23 (12) a municipality described by Section 351.152(43).

24 (c) A municipality is entitled to receive revenue under
25 Subsection (d) derived from the following types of establishments
26 that meet the requirements of Subsections (a)(1), (2), (3), and
27 (4):

- 1 (1) for a municipality described by Subsection (b)(1):
2 (A) restaurants, bars, and retail
3 establishments; and
4 (B) swimming pools and swimming facilities owned
5 or operated by the related qualified hotel;
6 (2) for a municipality described by Subsection (b)(2),
7 swimming pools and swimming facilities, restaurants, bars, and
8 retail establishments;
9 (3) for a municipality described by Subsection (b)(3),
10 restaurants, bars, and retail establishments;
11 (4) for a municipality described by Subsection (b)(4):
12 (A) restaurants, bars, and retail
13 establishments; and
14 (B) swimming pools and swimming facilities owned
15 or operated by the related qualified hotel;
16 (4-a) for a municipality described by Subsection
17 (b)(4-a):
18 (A) restaurants, bars, and retail
19 establishments; and
20 (B) swimming pools and swimming facilities owned
21 or operated by the related qualified hotel;
22 (5) for a municipality described by Subsection (b)(5),
23 restaurants, bars, and retail establishments;
24 (6) for a municipality described by Subsection (b)(6),
25 restaurants, bars, and retail establishments;
26 (7) for a municipality described by Subsection (b)(7),
27 restaurants, bars, and retail establishments;

1 (8) for a municipality described by Subsection (b)(8),
2 restaurants, bars, and retail establishments;

3 (9) for a municipality described by Subsection (b)(9),
4 restaurants, bars, and retail establishments;

5 (10) for a municipality described by Subsection
6 (b)(10):

7 (A) restaurants, bars, and retail
8 establishments; and

9 (B) swimming pools and swimming facilities owned
10 or operated by the related qualified hotel; ~~and~~

11 (11) for a municipality described by Subsection
12 (b)(11):

13 (A) restaurants, bars, and retail
14 establishments; and

15 (B) swimming pools and swimming facilities owned
16 or operated by the related qualified hotel; and

17 (12) for a municipality described by Subsection
18 (b)(12):

19 (A) restaurants, bars, and retail
20 establishments; and

21 (B) swimming pools and swimming facilities owned
22 or operated by the related qualified hotel.

23 (e) A municipality to which this section applies is not
24 entitled to receive revenue under Subsection (d) unless the
25 municipality commences a qualified project under this subchapter
26 before September 1, 2027 ~~[2023]~~.

27 SECTION 5. This Act takes effect immediately if it receives

H.B. No. 4103

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 4103 was passed by the House on April 30, 2021, by the following vote: Yeas 107, Nays 20, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4103 on May 28, 2021, by the following vote: Yeas 103, Nays 45, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4103 was passed by the Senate, with amendments, on May 25, 2021, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor