

By: Harless

H.B. No. 2648

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of certain municipalities and local  
3 government corporations to use certain tax revenue for certain  
4 qualified projects and project-associated infrastructure.

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

6 SECTION 1. Section 351.1015(a), Tax Code, is amended by  
7 adding Subdivision (4-a) to read as follows:

8 (4-a) "Project-associated infrastructure" means:

9 (A) a hotel, store, restaurant, concession,  
10 automobile parking facility, theater, opera house, auditorium,  
11 music hall, rehearsal hall, venue and related infrastructure,  
12 entertainment facility, park, museum, plaza, recreational  
13 facility, transportation facility, road, street, water or sewer  
14 facility, or tourist development area that is:

15 (i) located in a project financing zone;

16 (ii) located on land owned, acquired, or  
17 leased by a municipality or by a local government corporation to  
18 which Subsection (j) applies; and

19 (iii) related to the promotion of tourism  
20 and the convention and hotel industry; or

21 (B) the acquisition of public or private land and  
22 related infrastructure that:

23 (i) is located in a project financing zone;

24 and

1                    (ii) will be used in connection with a  
2 purpose described by this subdivision.

3            SECTION 2. Section 351.1015, Tax Code, is amended by  
4 amending Subsections (b), (c), (d), (g), and (i) and adding  
5 Subsection (j) to read as follows:

6            (b) This section applies only to a qualified project and  
7 project-associated infrastructure located in:

8                    (1) a municipality with a population of at least  
9 650,000 but less than 750,000 according to the most recent federal  
10 decennial census; or

11                    (2) a municipality with a population of at least two  
12 million.

13            (c) In addition to the uses provided by Section 351.101,  
14 revenue from the municipal hotel occupancy tax may be used to fund a  
15 qualified project and project-associated infrastructure.

16            (d) A municipality may pledge the revenue derived from the  
17 tax imposed under this chapter from a hotel located in the project  
18 financing zone for the payment of bonds or other obligations issued  
19 or incurred to acquire, lease, construct, improve, enlarge, and  
20 equip the qualified project and project-associated infrastructure.

21            (g) The comptroller shall deposit incremental  
22 hotel-associated revenue collected by or forwarded to the  
23 comptroller in a separate suspense account to be held in trust for  
24 the municipality that is entitled to receive the revenue. The  
25 suspense account is outside the state treasury, and the comptroller  
26 may make a payment authorized by this section from the account  
27 without the necessity of an appropriation. The comptroller shall

1 begin making payments from the suspense account to the municipality  
2 for which the money is held on the date the qualified project or  
3 project-associated infrastructure in the project financing zone is  
4 commenced. If the qualified project or project-associated  
5 infrastructure is not commenced by the fifth anniversary of the  
6 first deposit to the account, the comptroller shall transfer the  
7 money in the account to the general revenue fund and cease making  
8 deposits to the account.

9 (i) A municipality shall notify the comptroller if the  
10 qualified project or project-associated infrastructure in the  
11 project financing zone is abandoned. If the qualified project or  
12 project-associated infrastructure is abandoned, the comptroller  
13 shall transfer to the general revenue fund the amount of money in  
14 the suspense account that exceeds the amount required for the  
15 payment of bonds or other obligations described by Subsection (d).

16 (j) A local government corporation to which this subsection  
17 applies may act as a municipality under this section and is  
18 considered to be a municipality for purposes of this section. An  
19 action a municipality is required to take by ordinance or order  
20 under this section may be taken by order or resolution of the  
21 corporation. This subsection applies only to a local government  
22 corporation that:

23 (1) is authorized to collect a municipal hotel  
24 occupancy tax;

25 (2) is located in a county with a population of 3.3  
26 million or more; and

27 (3) operates a convention center facility located not

1 more than three miles from the city hall of the municipality in  
2 which the convention center facility is located.

3 SECTION 3. This Act takes effect September 1, 2023.