By: Clardy, Shine, Bell of Kaufman, Anderson,   H.B. No. 5012
     Jetton, et al.

Substitute the following for H.B. No. 5012:

By: Raymond   C.S.H.B. No. 5012

A BILL TO BE ENTITLED

1   AN ACT

2   relating to the authority of certain municipalities to use certain

3   tax revenue for hotel and convention center projects and other

4   qualified projects.

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

6   SECTION 1. Section 351.152, Tax Code, is amended to read as

7   follows:

8   Sec. 351.152. APPLICABILITY. This subchapter applies only

9   to:

10   (1) a   municipality   described   by   Section

11   351.001(7)(B);

12   (2) a   municipality   described   by   Section

13   351.001(7)(D);

14   (3) a   municipality   described   by   Section

15   351.001(7)(E);

16   (4) a   municipality   described   by   Section

17   351.102(e)(3);

18   (5) a municipality that contains more than 70 [75]

19   percent of the population of a county with a population of 1.5

20   million or more;

21   (6) a municipality with a population of 175,000

22   [150,000] or more but less than 200,000 that is partially located in

23   at least one county with a population of 125,000 or more;

24   (7) a municipality with a population of 250,000

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1 [150,000] or more but less than one million that is located in one

2 county with a population of 2.5 [2.3] million or more;

3   (8) a municipality with a population of 180,000 or

4 more that:

5   (A) is located in two counties, each with a

6 population of 100,000 or more; and

7   (B) contains an American Quarter Horse Hall of

8 Fame and Museum;

9   (9) a municipality with a population of 96,000 or more

10 that is located in a county that borders Lake Palestine;

11   (10) a municipality with a population of 96,000 or

12 more that is located in a county that contains the headwaters of the

13 San Gabriel River;

14   (11) a municipality with a population of at least

15 95,000 [99,900 or more but less than 111,000] that is located in a

16 county that is bisected by United States Highway 385 and has [with]

17 a population of not more than 170,000 [135,000 or more];

18   (12) a municipality with a population of 110,000 or

19 more but less than 135,000 at least part of which is located in a

20 county with a population of less than 135,000;

21   (13) a municipality with a population of 28,000

22 [9,000] or more but less than 31,000 [10,000] that is located in two

23 counties, each of which has a population of 900,000 [662,000] or

24 more and a southern border with a county with a population of 2.5

25 [2.3] million or more;

26   (14) a municipality with a population of 200,000 or

27 more but less than 300,000 that contains a component institution of

1 the Texas Tech University System;

2   (15) a municipality with a population of 95,000 or

3 more that:

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

5   (B) borders Lake Lewisville;

6   (16) a municipality with a population of 45,000 or

7 more that:

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

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

10 population of 2.5 [two] million or more and one of which has a

11 population of 190,000 [149,000] or more; and

12   (C) has adopted a capital improvement plan for

13 the construction or expansion of a convention center facility;

14   (17) a municipality with a population of less than

15 10,000 [6,000] that:

16   (A) is almost wholly located in a county with a

17 population of 900,000 [600,000] or more that is adjacent to a county

18 with a population of 2.5 [two] million or more;

19   (B) is partially located in a county with a

20 population of 2.1 [1.8] million or more that is adjacent to a county

21 with a population of 2.5 [two] million or more;

22   (C) has a visitor center and museum located in a

23 19th-century rock building in the municipality's downtown; and

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

25   (18) a municipality with a population of 60,000

26 [56,000] or more that:

27   (A) borders Lake Ray Hubbard; and

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

2   population of less than 110,000 [80,000];

3   (19) a municipality with a population of 110,000

4   [83,000] or more that:

5   (A) borders Clear Lake; and

6   (B) is primarily located in a county with a

7   population of less than 355,000 [300,000];

8   (20) a municipality with a population of less than

9   2,000 that:

10   (A) is located adjacent to a bay connected to the

11 Gulf of Mexico;

12   (B) is located in a county with a population of

13 290,000 or more that is adjacent to a county with a population of

14 four million or more; and

15   (C) has a boardwalk on the bay;

16   (21) a municipality with a population of 75,000 or

17 more that:

18   (A) is located wholly in one county with a

19 population of 800,000 [575,000] or more that is adjacent to a county

20 with a population of four million or more; and

21   (B) has adopted a capital improvement plan for

22 the construction or expansion of a convention center facility;

23   (22) a municipality with a population of less than

24 70,000 [75,000] that is located in three counties, at least one of

25 which has a population of four million or more;

26   (23) an eligible coastal municipality with a

27 population of 2,900 [3,000] or more but less than 5,000;

1 (24) a municipality with a population of 90,000 or

2 more but less than 150,000 that:

3 (A) is located in three counties; and

4 (B) contains a branch campus of a component

5 institution of the University of Houston System;

6 (25) a municipality that is:

7 (A) primarily located in a county with a

8 population of four million or more; and

9 (B) connected by a bridge to a municipality

10 described by Subdivision (20);

11 (26) a municipality with a population of 25,000

12 [20,000] or more but less than 30,000 [25,000] that:

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

14 (B) is wholly located in a county with a

15 population of less than 500,000;

16 (27) a municipality with a population of 70,000 or

17 more but less than 90,000 that is located in two counties, one of

18 which has a population of four million or more and the other of

19 which has a population of less than 50,000;

20 (28) a municipality with a population of 10,000 or

21 more that:

22 (A) is wholly located in a county with a

23 population of four million or more; and

24 (B) has a city hall located less than three miles

25 from a space center operated by an agency of the federal government;

26 (29) a municipality that is the county seat of a

27 county:

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

2   (B)   in which the birthplace of a president of the

3 United States is located;

4   (30)   a municipality that contains a portion of U.S.

5 Highway 79 and State Highway 130;

6   (31)   a municipality with a population of <u>70,000</u>

7 [48,000] or more but less than <u>115,000</u> [95,000] that is located in

8 two counties, one of which has a population of <u>1.1 million</u> [900,000]

9 or more but less than <u>1.9</u> [1.7] million;

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

11 25,000 that contains a museum of Western American art;

12   (33)   a municipality with a population of 50,000 or

13 more that is the county seat of a county that contains a portion of

14 the Sam Houston National Forest;

15   (34)   a municipality with a population of less than

16 25,000 that:

17   (A)   contains a cultural heritage museum; and

18   (B)   is located in a county that borders the

19 United Mexican States and the Gulf of Mexico;

20   (35)   a municipality that is the county seat of a county

21 that:

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

23   (B)   is adjacent to a county with a population of

24 <u>2.1</u> [1.8] million or more; and

25   (C)   hosts an annual peach festival;

26   (36)   a municipality that is the county seat of a county

27 that:

1   (A) has a population of 800,000 [585,000] or

2 more; and

3   (B) is adjacent to a county with a population of

4 four million or more;

5   (37) a municipality with a population of less than

6 10,000 that:

7   (A) contains a component university of The Texas

8 A&M University System; and

9   (B) is located in a county adjacent to a county

10 that borders Oklahoma;

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

12 17,000 [6,100] that:

13   (A) is located in two counties, each of which has

14 a population of 900,000 [600,000] or more but less than two million;

15 and

16   (B) hosts an annual Cajun Festival;

17   (39) a municipality with a population of 13,000 or

18 more that:

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

20   (B) is located in a county:

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

22 and

23   (ii) in which at least one World Birding

24 Center site is located;

25   (40) a municipality with a population of 3,200 [4,000]

26 or more that:

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

1   (B) is located not more than five miles from a

2 state historic site that serves as a visitor center for a state park

3 that contains 300,000 or more acres of land;

4   (41) a municipality with a population of 36,000 or

5 more that is adjacent to at least two municipalities described by

6 Subdivision (15);

7   (42) a municipality with a population of 28,000 or

8 more that is located in a county with a population of 240,000 or

9 more that contains a portion of the Blanco River and in which is

10 located a historic railroad depot and heritage center;

11   (43) a municipality located in a county that has a

12 population of not more than 300,000 and in which a component

13 university of the University of Houston System is located;

14   (44) a municipality with a population of less than

15 500,000 that is:

16   (A) located in two counties; and

17   (B) adjacent to a municipality described by

18 Subdivision (31); [and]

19   (45) a municipality that:

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

21   (B) is located in two counties with 90 percent of

22 the municipality's territory located in a county with a population

23 of at least 800,000 [580,000], and the remaining territory located

24 in a county with a population of at least four million;

25   (46) a municipality that:

26   (A) has a population of 100,000 or more; and

27   (B) is wholly located in, but is not the county

1 seat of, a county with a population of one million or more:

2   (i)   in which all or part of a municipality

3 with a population of one million or more is located; and

4   (ii)   that is adjacent to a county with a

5 population of 2.5 million or more;

6   (47)   a municipality that is the county seat of a county

7 bordering the Gulf of Mexico and the United Mexican States;

8   (48)   a municipality that is bisected by the Guadalupe

9 River and is the county seat of a county with a population of

10 170,000 or more;

11   (49)   a municipality with a population of 70,000 or

12 more but less than 150,000 that borders Joe Pool Lake;

13   (50)   a municipality with a population of 115,000 or

14 more that borders the Neches River;

15   (51)   a municipality described by Section 351.101(k);

16   (52)   a municipality that is the county seat of a

17 county:

18   (A)   through which the Brazos River flows; and

19   (B)   in which a national monument is located;

20   (53)   a municipality with a population of 45,000 or

21 more that:

22   (A)   is not the county seat of a county;

23   (B)   is located in a single county; and

24   (C)   contains a portion of Lake Lewisville;

25   (54)   a municipality that is the county seat of a county

26 with a population of more than 900,000 that is adjacent to two

27 counties, each of which has a population of more than 1.8 million;

1   (55) a municipality that hosts an annual wine festival

2 and is located in three counties, each of which has a population of

3 more than 900,000;

4   (56) a municipality that has a population of at least

5 150,000 but less than 1,300,000 and is partially located in a county

6 that contains a portion of Cedar Creek Reservoir;

7   (57) a municipality that is located in a county that

8 contains a portion of Cedar Creek Reservoir and in which a private

9 college is located;

10   (58) a municipality that is the county seat of a

11 county:

12   (A) with a population of one million or more;

13   (B) in which all or part of a municipality with a

14 population of one million or more is located; and

15   (C) that is located adjacent to a county with a

16 population of 2.5 million or more;

17   (59) a municipality that is the county seat of a county

18 that contains a portion of Cedar Creek Reservoir and borders a

19 county with a population of more than 240,000; and

20   (60) a municipality with a population of more than

21 80,000 but less than 150,000 that is located in a county with a

22 population of more than 369,000 but less than 864,000 that contains

23 part of an active duty United States Army installation.

24   SECTION 2. Subchapter C, Chapter 351, Tax Code, is amended

25 by adding Section 351.161 to read as follows:

26   Sec. 351.161. RECAPTURE OF LOST STATE TAX REVENUE FROM

27 CERTAIN MUNICIPALITIES. (a) This section applies only to a

1 municipality described by Section 351.152(47) or (52).

2 (b) On the 20th anniversary of the date a hotel designated

3 as a qualified hotel by a municipality to which this section applies

4 is open for initial occupancy, the comptroller shall determine:

5 (1) the total amount of state tax revenue received

6 under Section 351.156 and, if applicable, under Section 351.157 by

7 the municipality from the qualified project of which the qualified

8 hotel was a part during the period for which the municipality was

9 entitled to receive that revenue; and

10 (2) the total amount of state tax revenue described by

11 Subdivision (1) received by the state during the period beginning

12 on the 10th anniversary of the date the qualified hotel opened for

13 initial occupancy and ending on the 20th anniversary of that date

14 from the same sources from which the municipality received the

15 revenue described by Subdivision (1).

16 (c) If the amount determined under Subsection (b)(1)

17 exceeds the amount determined under Subsection (b)(2), the

18 comptroller shall promptly provide written notice to the

19 municipality stating that the municipality must remit to the

20 comptroller the difference between those two amounts in the manner

21 provided by this subsection. The municipality shall, using money

22 lawfully available to the municipality for the purpose, remit

23 monthly payments to the comptroller in an amount equal to the total

24 amount of municipal hotel occupancy tax revenue received by the

25 municipality from the qualified hotel in the preceding month until

26 the amount remitted to the comptroller equals the total amount due

27 as stated in the notice. The first payment required under this

1 subsection must be made not later than the 30th day after the date
2 the municipality receives the notice from the comptroller.
3 Subsequent payments are due on the 20th day of each month until the
4 total amount stated in the notice is paid. The comptroller shall
5 prescribe the procedure a municipality must use to remit a payment
6 required by this subsection to the comptroller.
7   (d) The comptroller shall deposit revenue received under
8 this section in the manner prescribed by Section 156.251.
9   SECTION 3. This Act takes effect September 1, 2023.