

By: Menéndez

S.B. No. 627

A BILL TO BE ENTITLED

AN ACT

relating to the entitlement of certain municipalities to certain tax revenue related to a hotel and convention center project.

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

SECTION 1. Section 351.153(a), Tax Code, is amended to read as follows:

(a) This section applies only to a municipality described by Section 351.152(5), (6), [351.152(6)] or (29).

SECTION 2. Section 351.156, Tax Code, is amended to read as follows:

Sec. 351.156. ENTITLEMENT TO CERTAIN TAX REVENUE. (a) For purposes of this section, a restaurant, bar, or retail establishment is connected to a qualified hotel or a related qualified convention center facility if the restaurant, bar, or retail establishment:

(1) shares an adjoining wall or roofline with the qualified hotel or the related qualified convention center facility;

(2) is joined with the qualified hotel or the related qualified convention center facility by an intervening structure with walls or a ceiling that allows for passage between buildings;  
or

(3) is located on a plot of land that:

(A) shares a property boundary line with the plot

1 of land on which the qualified hotel or the related qualified  
2 convention center facility is located; and

3 (B) is developed as part of a qualified project  
4 of which the qualified hotel and the related qualified convention  
5 center facility are a part.

6 (b) Subject to Sections 351.155(e) and 351.158, a  
7 municipality is entitled to receive the revenue derived from the  
8 following taxes generated, paid, and collected by a qualified  
9 hotel, and each restaurant, bar, and retail establishment located  
10 in or connected to the hotel or the related qualified convention  
11 center facility, that is located in the municipality:

12 (1) the sales and use tax imposed under Chapter 151;

13 (2) the hotel occupancy tax imposed under Chapter 156;

14 and

15 (3) if a political subdivision that is entitled to  
16 receive the revenue from the tax agrees in writing to the  
17 municipality receiving that revenue:

18 (A) the sales and use tax imposed by the  
19 political subdivision under Chapter 322 or 323;

20 (B) the hotel occupancy tax imposed by the  
21 political subdivision under Chapter 352; and

22 (C) the mixed beverage tax issued under Section  
23 183.051.

24 SECTION 3. Sections 351.157(a), (b), and (c), Tax Code, are  
25 amended to read as follows:

26 (a) In this section, "qualified establishment" means an  
27 establishment:

1 (1) that is located on land:

2 (A) owned by a municipality; or

3 (B) owned by:

4 (i) any person if the establishment is  
5 located in a municipality described by Section 351.152(3) or (5);  
6 or

7 (ii) ~~owned by~~ the federal government if the  
8 establishment is located in a municipality described by Section  
9 351.152(6);

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

13 (3) that is constructed:

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

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

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

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

22 (b) This section applies only to:

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

24 (1-a) a municipality described by Section 351.152(5);

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

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

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

- 1           (4-a) a municipality described by Section  
2 351.152(14);
- 3           (5) a municipality described by Section 351.152(16);
- 4           (6) a municipality described by Section 351.152(22);
- 5           (7) a municipality described by Section 351.152(25);
- 6           (8) a municipality described by Section 351.152(34);
- 7           (9) a municipality described by Section 351.152(35);
- 8           (10) a municipality described by Section 351.152(36);
- 9           (11) a municipality described by Section 351.152(38);

10 and

- 11           (12) a municipality described by Section 351.152(43).

12           (c) A municipality is entitled to receive revenue under  
13 Subsection (d) derived from the following types of establishments  
14 that meet the requirements of Subsections (a)(1), (2), (3), and  
15 (4):

- 16           (1) for a municipality described by Subsection (b)(1):

17                   (A) restaurants, bars, and retail  
18 establishments; and

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

- 21           (1-a) for a municipality described by Subsection  
22 (b)(1-a):

23                   (A) restaurants, bars, spas, and retail  
24 establishments; and

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

- 27           (2) for a municipality described by Subsection (b)(2),

1 swimming pools and swimming facilities, restaurants, bars, and  
2 retail establishments;

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

5 (4) for a municipality described by Subsection (b)(4):

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

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

10 (4-a) for a municipality described by Subsection  
11 (b)(4-a):

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 (5) for a municipality described by Subsection (b)(5),  
17 restaurants, bars, and retail establishments;

18 (6) for a municipality described by Subsection (b)(6),  
19 restaurants, bars, and retail establishments;

20 (7) for a municipality described by Subsection (b)(7),  
21 restaurants, bars, and retail establishments;

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

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

26 (10) for a municipality described by Subsection  
27 (b)(10):

1 (A) restaurants, bars, and retail  
2 establishments; and

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

5 (11) for a municipality described by Subsection  
6 (b)(11):

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

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.

17 SECTION 4. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2023.