

By: Lopez of Cameron, Muñoz, Guillen,
Raymond, Lujan

H.B. No. 3196

Substitute the following for H.B. No. 3196:

By: Hickland

C.S.H.B. No. 3196

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain municipalities to receive certain tax revenue derived from a hotel and convention center project and to pledge certain tax revenue for the payment of obligations related to the project.

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

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

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

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

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

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

(3-a) a municipality described by Section 351.001(11);

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

(5) a municipality that contains more than 70 percent of the population of a county with a population of 1.5 million or more;

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

1 more but less than 200,000 that is partially located in at least one
2 county with a population of 125,000 or more;

3 (7) a municipality with a population of 250,000 or
4 more but less than one million that is located in one county with a
5 population of 2.5 million or more;

6 (8) a municipality with a population of 180,000 or
7 more that:

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

10 (B) contains an American Quarter Horse Hall of
11 Fame and Museum;

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

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

17 (11) a municipality with a population of at least
18 95,000 that is located in a county that is bisected by United States
19 Highway 385 and has a population of not more than 170,000;

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

23 (13) a municipality with a population of 28,000 or
24 more but less than 31,000 that is located in two counties, each of
25 which has a population of 900,000 or more and a southern border with
26 a county with a population of 2.5 million or more;

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

1 more but less than 300,000 that contains a component institution of
2 the Texas Tech University System;

3 (15) a municipality with a population of 95,000 or
4 more that:

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

6 (B) borders Lake Lewisville;

7 (16) a municipality with a population of 45,000 or
8 more that:

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

10 (B) is located in two counties, one of which has a
11 population of 2.5 million or more and one of which has a population
12 of 190,000 or more; and

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

15 (17) a municipality with a population of less than
16 10,000 that:

17 (A) is almost wholly located in a county with a
18 population of 900,000 or more that is adjacent to a county with a
19 population of 2.5 million or more;

20 (B) is partially located in a county with a
21 population of 2.1 million or more that is adjacent to a county with
22 a population of 2.5 million or more;

23 (C) has a visitor center and museum located in a
24 19th-century rock building in the municipality's downtown; and

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

26 (18) a municipality with a population of 60,000 or
27 more that:

(A) borders Lake Ray Hubbard; and

(B) is located in two counties, one of which has a population of less than 110,000;

(19) a municipality with a population of 110,000 or more that:

(A) borders Clear Lake; and

(B) is primarily located in a county with a population of less than 355,000;

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

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

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

(C) has a boardwalk on the bay;

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

(A) is located wholly in one county with a population of 800,000 or more that is adjacent to a county with a population of four million or more; and

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

(22) a municipality with a population of less than 70,000 that is located in three counties, at least one of which has a population of four million or more;

(23) an eligible coastal municipality with a

1 population of 2,900 or more but less than 5,000;

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

4 (A) is located in three counties; and

5 (B) contains a branch campus of a component
6 institution of the University of Houston System;

7 (25) a municipality that is:

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

10 (B) connected by a bridge to a municipality
11 described by Subdivision (20);

12 (26) a municipality with a population of 25,000 or
13 more but less than 30,000 that:

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

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

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

21 (28) a municipality with a population of 10,000 or
22 more that:

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

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

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

1 county:

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

3 (B) in which the birthplace of a president of the
4 United States is located;

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

7 (31) a municipality with a population of 70,000 or
8 more but less than 115,000 that is located in two counties, one of
9 which has a population of 1.1 million or more but less than 1.9
10 million;

11 (32) a municipality with a population of less than
12 25,000 that contains a museum of Western American art;

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

16 (34) a municipality with a population of less than
17 25,000 that:

18 (A) contains a cultural heritage museum; and

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

21 (35) a municipality that is the county seat of a county
22 that:

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

24 (B) is adjacent to a county with a population of
25 2.1 million or more; and

26 (C) hosts an annual peach festival;

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

1 that:

2 (A) has a population of 800,000 or 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 that:

13 (A) is located in two counties, each of which has
14 a population of 900,000 or more but less than two million; and

15 (B) hosts an annual Cajun Festival;

16 (39) a municipality with a population of 13,000 or
17 more that:

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

19 (B) is located in a county:

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

21 and

22 (ii) in which at least one World Birding
23 Center site is located;

24 (40) a municipality with a population of 3,200 or more
25 that:

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

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

1 state historic site that serves as a visitor center for a state park
2 that contains 300,000 or more acres of land;

3 (41) a municipality with a population of 36,000 or
4 more that is adjacent to at least two municipalities described by
5 Subdivision (15);

6 (42) a municipality with a population of 28,000 or
7 more that is located in a county with a population of 240,000 or
8 more that contains a portion of the Blanco River and in which is
9 located a historic railroad depot and heritage center;

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

13 (44) a municipality with a population of less than
14 500,000 that is:

15 (A) located in two counties; and

16 (B) adjacent to a municipality described by
17 Subdivision (31);

18 (45) a municipality that:

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

20 (B) is located in two counties with 90 percent of
21 the municipality's territory located in a county with a population
22 of at least 800,000, and the remaining territory located in a county
23 with a population of at least four million;

24 (46) a municipality that:

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

26 (B) is wholly located in, but is not the county
27 seat of, a county with a population of one million or more:

1 (i) in which all or part of a municipality
2 with a population of one million or more is located; and

3 (ii) that is adjacent to a county with a
4 population of 2.5 million or more;

5 (47) a municipality that is the county seat of a county
6 bordering the Gulf of Mexico and the United Mexican States;

7 (48) a municipality that is bisected by the Guadalupe
8 River and is the county seat of a county with a population of
9 170,000 or more;

10 (49) a municipality with a population of 70,000 or
11 more but less than 150,000 that borders Joe Pool Lake;

12 (50) a municipality with a population of 115,000 or
13 more that borders the Neches River;

14 (51) a municipality described by Section [351.101\(k\)](#);

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

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

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

19 (53) a municipality with a population of 45,000 or
20 more that:

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

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

23 (C) contains a portion of Lake Lewisville;

24 (54) a municipality that is the county seat of a county
25 with a population of more than 900,000 that is adjacent to two
26 counties, each of which has a population of more than 1.8 million;

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

1 and is located in three counties, each of which has a population of
2 more than 900,000;

3 (56) a municipality that has a population of at least
4 150,000 but less than 1,300,000 and is partially located in a county
5 that contains a portion of Cedar Creek Reservoir;

6 (57) a municipality that is located in a county that
7 contains a portion of Cedar Creek Reservoir and in which a private
8 college is located;

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

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

12 (B) in which all or part of a municipality with a
13 population of one million or more is located; and

14 (C) that is located adjacent to a county with a
15 population of 2.5 million or more;

16 (59) a municipality that is the county seat of a county
17 that contains a portion of Cedar Creek Reservoir and borders a
18 county with a population of more than 240,000;

19 (60) a municipality with a population of more than
20 80,000 but less than 150,000 that is located in a county with a
21 population of more than 369,000 but less than 864,000 that contains
22 part of an active duty United States Army installation;

23 (61) a municipality with a population of 750,000 or
24 more that is located in a county with a population of 1.5 million or
25 less;

26 (62) a municipality with a population of less than
27 7,000 that contains a country music hall of fame;

(63) a municipality with a population of 35,000 or more that contains a railroad museum and is located in a county that:

(A) has a population of 800,000 or more; and

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

(64) a municipality:

(A) that is the county seat of a county:

(i) with a population of 60,000 or less; and

(ii) that borders the Rio Grande; and

(B) in which is located a United States military fort listed in the National Register of Historic Places.

SECTION 2. Subchapter C, Chapter 351, Tax Code, is amended by adding Section 351.1535 to read as follows:

Sec. 351.1535. EXCEPTIONS APPLICABLE TO ELIGIBLE BARRIER ISLAND COASTAL MUNICIPALITY. (a) This section applies only to a municipality described by Section 351.001(11).

(b) Sections 351.151(2)(B) and (C) do not apply to a facility:

(1) that otherwise meets the requirements of a qualified convention center facility under Section 351.151;

(2) that is:

(A) wholly owned by a municipality to which this section applies or the county in which a municipality to which this section applies is located; and

(B) not owned in undivided interest;

(3) for which the nearest qualified hotel is located

1 near a natural impediment, including open water or protected
2 wetlands, that makes it impractical for the facility to be located
3 not more than 1,000 feet from the nearest exterior wall of the
4 qualified hotel; and

5 (4) that has an exterior wall that is located not more
6 than 2,000 feet from the nearest exterior wall of a qualified hotel.

7 (c) Sections 351.151(3)(A) and (B) do not apply to a hotel:

8 (1) that otherwise meets the requirements of a
9 qualified hotel under Section 351.151;

10 (2) that is located on land owned by the designating
11 municipality or the county in which the designating municipality is
12 located;

13 (3) for which the nearest qualified convention center
14 facility is located near a natural impediment, including open water
15 or protected wetlands, that makes it impractical for the hotel to be
16 located not more than 1,000 feet from the nearest exterior wall of
17 the qualified convention center facility; and

18 (4) that has an exterior wall that is located not more
19 than 2,000 feet from the nearest exterior wall of a qualified
20 convention center facility.

21 (d) Notwithstanding Section 351.151(4)(B)(i)(b), a parking
22 area or structure that otherwise meets the requirements of a
23 qualified project under Section 351.151 may be located not more
24 than 2,000 feet from the nearest property line of a qualified
25 convention center facility or qualified hotel if the facility or
26 hotel is located near a natural impediment, including open water or
27 protected wetlands, that makes it impractical to acquire, lease,

1 construct, repair, remodel, expand, or equip a parking area or
2 structure located not more than 1,000 feet from the facility or
3 hotel.

4 (e) Section 351.151(4)(B)(ii)(b) does not apply to
5 infrastructure:

6 (1) for which the qualified convention center facility
7 or qualified hotel is located near a natural impediment, including
8 open water or protected wetlands, that makes it impractical to
9 acquire, construct, repair, remodel, or expand infrastructure
10 located not more than 1,000 feet from the facility or hotel; and

11 (2) that is located not more than 2,000 feet from the
12 nearest property line of the qualified convention center facility
13 or qualified hotel.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2025.