

By: Lindsay

S.B. No. 1466

A BILL TO BE ENTITLED

AN ACT

relating to hotel occupancy taxes and the financing of convention center facilities in certain counties.

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

SECTION 1. Section 351.001, Tax Code, is amended by amending Subdivision (2) and adding Subdivision (11) to read as follows:

(2) "Convention center facilities" or "convention center complex" means facilities that are primarily used to host conventions and meetings. The term means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in whole or part by the municipality. In a municipality with a population of 1.5 million or more, "convention center facilities" or "convention center complex" means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in part by the municipality, hotels owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within 1,000 feet of a convention center owned by the municipality, or a historic hotel owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within

1 one mile of a convention center owned by the municipality. The term  
2 includes parking areas or facilities that are for the parking or  
3 storage of conveyances and that are located at or in the vicinity of  
4 other convention center facilities. The term also includes a hotel  
5 owned by or located on land that is owned by an eligible central  
6 municipality or by a nonprofit corporation acting on behalf of an  
7 eligible central municipality and that is located within 1,000 feet  
8 of a convention center facility owned by the municipality. In a  
9 municipality that has a population of less than 114,000 and that  
10 contains a portion of the Bosque River, the terms include a hotel  
11 owned by or located on land that is owned by the municipality or by a  
12 nonprofit corporation acting on behalf of the municipality and that  
13 is located within 1,500 feet of a convention center facility owned  
14 by the municipality.

15 (11) "Eligible collegiate municipality" means a  
16 municipality with a population of 195,000 or more that includes in  
17 its corporate limits an institution of higher education, as defined  
18 in Section 61.003(8), Education Code, that offers a degree in the  
19 field of hospitality and tourism. In an "eligible collegiate  
20 municipality," the term "convention center facilities" or  
21 "convention center complex" means such term as defined in  
22 Subdivision (2) or civic centers, civic center buildings,  
23 auditoriums, exhibition halls, and coliseums that are owned by the  
24 municipality or other governmental entity or that are managed in  
25 part by the municipality, hotels owned by the municipality, a  
26 nonprofit municipally sponsored local government corporation  
27 created under Chapter 431, Transportation Code, or a nonprofit

1 corporation created in conformity with Section 509(a)(3), Internal  
2 Revenue Code of 1986, that are in the proximity of the campus of the  
3 institution of higher education and are within 2,500 feet of an  
4 auditorium/coliseum complex owned by the municipality. The term  
5 includes parking areas or facilities that are for the parking or  
6 storage of conveyances and that are located at or in the vicinity of  
7 other convention center facilities.

8 SECTION 2. Section 351.102, Tax Code, is amended to read as  
9 follows:

10 Sec. 351.102. PLEDGE FOR BONDS. (a) Subject to the  
11 limitations provided by this subchapter, a municipality may pledge  
12 the revenue derived from the tax imposed under this chapter for the  
13 payment of bonds that are issued under Section 1504.002(a),  
14 Government Code, for one or more of the purposes provided by Section  
15 351.101 or, in the case of a municipality of 1,500,000 or more, for  
16 the payment of principal of or interest on bonds or other  
17 obligations of a municipally sponsored local government  
18 corporation created under Chapter 431, Transportation Code, that  
19 were issued to pay the cost of the acquisition and construction of a  
20 convention center hotel or the cost of acquisition, remodeling, or  
21 rehabilitation of a historic hotel structure; provided, however,  
22 such pledge may only be that portion of the tax collected at such  
23 hotel. A municipality that has a population of less than 114,000  
24 and that contains a portion of the Bosque River may pledge revenue  
25 from the tax imposed under this chapter and collected at convention  
26 center facilities for the payment of bonds or other obligations  
27 that a nonprofit corporation acting on behalf of the municipality

1 issued or incurred to acquire, lease, construct, or equip the  
2 convention center facilities.

3 (b) An eligible central municipality or an eligible  
4 collegiate municipality may pledge the revenue derived from the tax  
5 imposed under this chapter from a hotel project that is owned by or  
6 located on land owned by the municipality or by a nonprofit  
7 corporation acting on behalf of an eligible central municipality or  
8 an eligible collegiate municipality and that is located within  
9 1,000 feet of a convention center facility owned by the  
10 municipality or located as otherwise provided in Section  
11 351.001(11) for the payment of bonds or other obligations issued or  
12 incurred to acquire, lease, construct, and equip the hotel and any  
13 facilities ancillary to the hotel, including shops and parking  
14 facilities. For bonds or other obligations issued under this  
15 subsection, an eligible central municipality or an eligible  
16 collegiate municipality may only pledge revenue or other assets of  
17 the hotel project benefitting from those bonds or other  
18 obligations.

19 SECTION 3. Subdivision (2), Section 352.001, Tax Code, is  
20 amended to read as follows:

21 (2) "Convention center facilities" or "convention  
22 center complex" means civic centers, civic center buildings,  
23 auditoriums, exhibition halls, and coliseums that are owned by the  
24 county or that are managed in whole or part by the county. The terms  
25 include [~~term includes~~] parking areas or facilities that are for  
26 the parking or storage of conveyances and that are located at or in  
27 the immediate vicinity of other convention center facilities. In a

1 county with a population of more than 3.3 million, the terms include  
2 hotels that are located within 1,000 feet of a convention center or  
3 stadium and that are owned by the county or by a nonprofit local  
4 government corporation created under Chapter 431, Transportation  
5 Code, that is sponsored by the county.

6 SECTION 4. Section 352.003, Tax Code, is amended by adding  
7 Subsection (g) to read as follows:

8 (g) Notwithstanding any other law, a county, municipality,  
9 or political subdivision of the state may not adopt or levy an  
10 additional hotel occupancy tax in a county with a population of 3.3  
11 million or more if as a result of the adoption or levy of the tax the  
12 combined rate of all hotel occupancy taxes imposed by the state, the  
13 county, a municipality, or a political subdivision would exceed 17  
14 percent at any location within the county.

15 SECTION 5. Subsection (a), Section 352.101, Tax Code, is  
16 amended to read as follows:

17 (a) The revenue from a tax imposed under this chapter by a  
18 county having a population of more than 3.3 million may be used only  
19 for:

20 (1) the acquisition of sites for and the construction,  
21 improvement, enlarging, equipping, repairing, operation, and  
22 maintenance of public improvements such as convention center  
23 facilities, a convention center complex, [~~civic centers, civic~~  
24 ~~center buildings, auditoriums, exhibition halls, coliseums, and~~  
25 stadiums, including sports and other facilities that serve the  
26 purpose of attracting visitors and tourists to the county, and  
27 parking areas or facilities for the parking or storage of motor

1 vehicles or other conveyances, hotels owned by a municipality or a  
2 nonprofit municipally sponsored local government corporation  
3 created under Chapter 431, Transportation Code, within 1,000 feet  
4 of a convention center owned by a municipality with a population of  
5 1,500,000 or more, or a historic hotel owned by a municipality or a  
6 nonprofit municipally sponsored local government corporation  
7 created under Chapter 431, Transportation Code, within one mile of  
8 a convention center owned by a municipality with a population of  
9 1,500,000 or more;

10 (2) the furnishing of facilities, personnel, and  
11 materials for the registration of convention delegates or  
12 registrants; and

13 (3) general promotion and tourist advertising of the  
14 county and its vicinity and conducting a solicitation program to  
15 attract conventions and visitors, any of which may be conducted by  
16 the county or through contracts with persons or organizations  
17 selected by the county.

18 SECTION 6. Section 1477.302, Government Code, is amended to  
19 read as follows:

20 Sec. 1477.302. AUTHORITY FOR VISITOR OR TOURIST  
21 ATTRACTIONS. (a) In this section, "convention center facilities"  
22 and "convention center complex" have the meanings assigned by  
23 Section 352.001, Tax Code.

24 (b) A county may establish, acquire, lease as lessor or  
25 lessee, construct, improve, enlarge, equip, repair, operate, or  
26 maintain:

27 (1) a public improvement or facility to attract

1 visitors or tourists to the county, including convention center  
2 facilities, a convention center complex, or a [~~civic center, a~~  
3 ~~civic center building, an auditorium, an exhibition hall, a~~  
4 ~~coliseum,~~] stadium~~[7]~~ or other sports facility; or

5 (2) a parking facility located at or in the immediate  
6 vicinity of an improvement or facility described by Subdivision (1)  
7 to be used in connection with the improvement or facility for  
8 off-street parking or storage of motor vehicles or other  
9 conveyances.

10 SECTION 7. Section 1504.001, Government Code, is amended to  
11 read as follows:

12 Sec. 1504.001. AUTHORITY FOR CERTAIN FACILITIES. (a) A  
13 municipality may establish, acquire, lease as lessee or lessor,  
14 construct, improve, enlarge, equip, repair, operate, or maintain a  
15 facility such as:

16 (1) a civic center, auditorium, opera house, music  
17 hall, exhibition hall, coliseum, museum, library, or other  
18 municipal building;

19 (2) a golf course, tennis court, or other similar  
20 recreational facility;

21 (3) a hotel owned by a municipality or a nonprofit  
22 municipally sponsored local government corporation created under  
23 Chapter 431, Transportation Code, that is located not more than  
24 1,000 feet from a convention center owned by a municipality with a  
25 population of 1,500,000 or more, or that is located within 1,500  
26 feet of a convention center facility owned by a municipality that  
27 has a population of less than 114,000 and that contains a portion of

1 the Bosque River;

2 (4) a historic hotel owned by a municipality or a  
3 nonprofit municipally sponsored local government corporation  
4 created under Chapter 431, Transportation Code, that is located not  
5 more than one mile from a convention center owned by a municipality  
6 with a population of 1,500,000 or more; or

7 (5) a parking facility at or in the immediate vicinity  
8 of a facility described by Subdivisions (1)-(4) for use in  
9 connection with that facility for off-street parking or storage of  
10 motor vehicles or other conveyances.

11 (b) An eligible central municipality or an eligible  
12 collegiate municipality, as defined by Section 351.001, Tax Code,  
13 may establish, acquire, lease as lessee or lessor, construct,  
14 improve, enlarge, equip, repair, operate, or maintain a hotel, and  
15 any facilities ancillary to the hotel, including shops and parking  
16 facilities, that are owned by or located on land owned by the  
17 municipality or by a nonprofit corporation acting on behalf of the  
18 municipality, and that is located within 1,000 feet of a convention  
19 center facility owned by the municipality or located as otherwise  
20 provided in Section 351.001(11), Tax Code.

21 SECTION 8. Subdivision (8), Section 2303.003, Government  
22 Code, is amended to read as follows:

23 (8) "Qualified hotel project" means a hotel proposed  
24 to be constructed by a municipality or a nonprofit municipally  
25 sponsored local government corporation created under the Texas  
26 Transportation Corporation Act, Chapter 431, Transportation Code,  
27 that is within 1,000 feet of a convention center owned by a



1 municipality with [~~having~~] a population of 1,500,000 or more, or  
2 that is located within 1,500 feet of a convention center facility  
3 owned by a municipality that has a population of less than 114,000  
4 and that contains a portion of the Bosque River. The term includes  
5 [~~including~~] shops, parking facilities, and any other facilities  
6 ancillary to the hotel or as otherwise defined in Section  
7 351.001(11), Tax Code.

8 SECTION 9. Subsection (b), Section 2303.5055, Government  
9 Code, is amended to read as follows:

10 (b) A municipality with a population of 1,500,000 or more, a  
11 municipality that has a population of less than 114,000 and that  
12 contains a portion of the Bosque River, or an eligible collegiate  
13 municipality as defined in Section 351.001, Tax Code, may agree to  
14 guarantee from hotel occupancy taxes the bonds or other obligations  
15 of a municipally sponsored local government corporation created  
16 under the Texas Transportation Corporation Act (Article 15281,  
17 Vernon's Texas Civil Statutes) or a nonprofit corporation created  
18 in conformity with Section 509(a)(3), Internal Revenue Code of  
19 1986, that were issued or incurred to pay the cost of construction,  
20 remodeling, or rehabilitation of a qualified hotel project.

21 SECTION 10. This Act takes effect immediately if it  
22 receives a vote of two-thirds of all the members elected to each  
23 house, as provided by Section 39, Article III, Texas Constitution.  
24 If this Act does not receive the vote necessary for immediate  
25 effect, this Act takes effect September 1, 2003.