

AN ACT

relating to the imposition and rate of the county hotel occupancy tax in certain counties and the use of municipal hotel occupancy tax revenue in certain municipalities; providing authority to issue bonds.

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

SECTION 1. Section 1504.001(b), Government Code, is amended to read as follows:

(b) An eligible central municipality, as defined by Section 351.001, Tax Code, or a municipality with a population of 173,000 or more that is located within two counties may establish, acquire, lease as lessee or lessor, construct, improve, enlarge, equip, repair, operate, or maintain a hotel, and any facilities ancillary to the hotel, including shops and parking facilities, that are owned by or located on land owned by the municipality or by a nonprofit corporation acting on behalf of the municipality, and that is located within 1,000 feet of a convention center facility owned by the municipality.

SECTION 2. Section 1504.002(b), Government Code, is amended to read as follows:

(b) An eligible central municipality, as defined by Section 351.001, Tax Code, or a municipality with a population of 173,000 or more that is located within two counties by ordinance may issue bonds or incur other obligations to acquire, lease, construct, or

1 equip a facility described by Section 1504.001(b).

2 SECTION 3. Section 351.102, Tax Code, is amended by  
3 amending Subsection (b) and adding Subsection (b-1) to read as  
4 follows:

5 (b) An eligible central municipality or a municipality with  
6 a population of 173,000 or more that is located within two counties  
7 may pledge the revenue derived from the tax imposed under this  
8 chapter from a hotel project that is owned by or located on land  
9 owned by the municipality or, in an eligible central municipality,  
10 by a nonprofit corporation acting on behalf of an eligible central  
11 municipality, and that is located within 1,000 feet of a convention  
12 center facility owned by the municipality for the payment of bonds  
13 or other obligations issued or incurred to acquire, lease,  
14 construct, and equip the hotel and any facilities ancillary to the  
15 hotel, including shops and parking facilities. For bonds or other  
16 obligations issued under this subsection, an eligible central  
17 municipality or a municipality with a population of 173,000 or more  
18 that is located within two counties may only pledge revenue or other  
19 assets of the hotel project benefiting from those bonds or other  
20 obligations.

21 (b-1) A municipality with a population of 173,000 or more  
22 that is located within two counties and is not an eligible central  
23 municipality may not pledge revenue under Subsection (b) in  
24 relation to a particular hotel project after the earlier of:

25 (1) the 20th anniversary of the date the municipality  
26 first pledged the revenue to the hotel project; or

27 (2) the date the revenue pledged to the hotel project

1 equals 40 percent of the hotel project's total construction cost.

2 SECTION 4. Section 352.002, Tax Code, is amended by adding  
3 Subsection (m) to read as follows:

4 (m) A tax imposed by a county that borders the United  
5 Mexican States and in which there is located a national park of more  
6 than 400,000 acres does not apply to a hotel located in a  
7 municipality that imposes a tax under Chapter 351 applicable to the  
8 hotel.

9 SECTION 5. Section 352.003(d), Tax Code, is amended to read  
10 as follows:

11 (d) The tax rate in a county that borders the United Mexican  
12 States and in which there is located a national park of more than  
13 400,000 acres [~~authorized to impose the tax under Section~~  
14 ~~352.002(a)(12)] may not exceed seven [~~three~~] percent of the price  
15 paid for a room in a hotel.~~

16 SECTION 6. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2009.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4781 was passed by the House on May 12, 2009, by the following vote: Yeas 149, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4781 on May 25, 2009, by the following vote: Yeas 129, Nays 16, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4781 was passed by the Senate, with amendments, on May 22, 2009, by the following vote: Yeas 30, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor