

AN ACT

relating to the use of municipal hotel occupancy tax revenue to finance a convention center hotel in certain municipalities.

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

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

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

(b-1) A municipality with a population of 173,000 or more

1 that is located within two counties and is not an eligible central  
2 municipality may not pledge revenue under Subsection (b) in  
3 relation to a particular hotel project after the earlier of:

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

6 (2) the date the revenue pledged to the hotel project  
7 equals 40 percent of the hotel project's total construction cost.

8 SECTION 2. Subsection (b), Section 1504.001, Government  
9 Code, is amended to read as follows:

10 (b) An eligible central municipality, as defined by Section  
11 351.001, Tax Code, or a municipality with a population of 173,000 or  
12 more that is located within two counties may establish, acquire,  
13 lease as lessee or lessor, construct, improve, enlarge, equip,  
14 repair, operate, or maintain a hotel, and any facilities ancillary  
15 to the hotel, including shops and parking facilities, that are  
16 owned by or located on land owned by the municipality or by a  
17 nonprofit corporation acting on behalf of the municipality, and  
18 that is located within 1,000 feet of a convention center facility  
19 owned by the municipality.

20 SECTION 3. Subsection (b), Section 1504.002, Government  
21 Code, is amended to read as follows:

22 (b) An eligible central municipality, as defined by Section  
23 351.001, Tax Code, or a municipality with a population of 173,000 or  
24 more that is located within two counties by ordinance may issue  
25 bonds or incur other obligations to acquire, lease, construct, or  
26 equip a facility described by Section 1504.001(b).

27 SECTION 4. This Act takes effect September 1, 2009.

S.B. No. 1207

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1207 passed the Senate on April 16, 2009, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1207 passed the House on May 26, 2009, by the following vote: Yeas 141, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor