

1-1 By: Seliger S.B. No. 1207
1-2 (In the Senate - Filed February 27, 2009; March 13, 2009,
1-3 read first time and referred to Committee on Economic Development;
1-4 April 8, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 8, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1207 By: Watson

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the use of municipal hotel occupancy tax revenue to
1-11 finance a convention center hotel in certain municipalities.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 351.102, Tax Code, is amended by
1-14 amending Subsection (b) and adding Subsection (b-1) to read as
1-15 follows:

1-16 (b) An eligible central municipality or a municipality with
1-17 a population of 173,000 or more that is located within two counties
1-18 may pledge the revenue derived from the tax imposed under this
1-19 chapter from a hotel project that is owned by or located on land
1-20 owned by the municipality or, in an eligible central municipality,
1-21 by a nonprofit corporation acting on behalf of an eligible central
1-22 municipality, and that is located within 1,000 feet of a convention
1-23 center facility owned by the municipality for the payment of bonds
1-24 or other obligations issued or incurred to acquire, lease,
1-25 construct, and equip the hotel and any facilities ancillary to the
1-26 hotel, including shops and parking facilities. For bonds or other
1-27 obligations issued under this subsection, an eligible central
1-28 municipality or a municipality with a population of 173,000 or more
1-29 that is located within two counties may only pledge revenue or other
1-30 assets of the hotel project benefiting from those bonds or other
1-31 obligations.

1-32 (b-1) A municipality with a population of 173,000 or more
1-33 that is located within two counties and is not an eligible central
1-34 municipality may not pledge revenue under Subsection (b) in
1-35 relation to a particular hotel project after the earlier of:

1-36 (1) the 20th anniversary of the date the municipality
1-37 first pledged the revenue to the hotel project; or

1-38 (2) the date the revenue pledged to the hotel project
1-39 equals 40 percent of the hotel project's total construction cost.

1-40 SECTION 2. Subsection (b), Section 1504.001, Government
1-41 Code, is amended to read as follows:

1-42 (b) An eligible central municipality, as defined by Section
1-43 351.001, Tax Code, or a municipality with a population of 173,000 or
1-44 more that is located within two counties may establish, acquire,
1-45 lease as lessee or lessor, construct, improve, enlarge, equip,
1-46 repair, operate, or maintain a hotel, and any facilities ancillary
1-47 to the hotel, including shops and parking facilities, that are
1-48 owned by or located on land owned by the municipality or by a
1-49 nonprofit corporation acting on behalf of the municipality, and
1-50 that is located within 1,000 feet of a convention center facility
1-51 owned by the municipality.

1-52 SECTION 3. Subsection (b), Section 1504.002, Government
1-53 Code, is amended to read as follows:

1-54 (b) An eligible central municipality, as defined by Section
1-55 351.001, Tax Code, or a municipality with a population of 173,000 or
1-56 more that is located within two counties by ordinance may issue
1-57 bonds or incur other obligations to acquire, lease, construct, or
1-58 equip a facility described by Section 1504.001(b).

1-59 SECTION 4. This Act takes effect September 1, 2009.

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