

AN ACT

relating to the imposition and use of the municipal hotel occupancy tax by certain eligible central municipalities.

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

SECTION 1. Subdivision (7), Section 351.001, Tax Code, is amended to read as follows:

(7) "Eligible central municipality" means a municipality with a population of more than 140,000 [~~440,000~~] but less than 1.5 million that is located in a county with a population of one million or more and that has adopted a capital improvement plan for the expansion of an existing convention center facility.

SECTION 2. Subsection (b), Section 351.003, Tax Code, is amended to read as follows:

(b) The rate in an eligible central municipality may not exceed nine percent of the price paid for a room. This subsection does not apply to a municipality to which Section 351.106 applies or to an eligible central municipality with a population of less than 440,000.

SECTION 3. (a) Subsection (a), Section 351.101, Tax Code, is amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction,

1 improvement, enlarging, equipping, repairing, operation, and
2 maintenance of convention center facilities or visitor information
3 centers, or both;

4 (2) the furnishing of facilities, personnel, and
5 materials for the registration of convention delegates or
6 registrants;

7 (3) advertising and conducting solicitations and
8 promotional programs to attract tourists and convention delegates
9 or registrants to the municipality or its vicinity;

10 (4) the encouragement, promotion, improvement, and
11 application of the arts, including instrumental and vocal music,
12 dance, drama, folk art, creative writing, architecture, design and
13 allied fields, painting, sculpture, photography, graphic and craft
14 arts, motion pictures, radio, television, tape and sound recording,
15 and other arts related to the presentation, performance, execution,
16 and exhibition of these major art forms;

17 (5) historical restoration and preservation projects
18 or activities or advertising and conducting solicitations and
19 promotional programs to encourage tourists and convention
20 delegates to visit preserved historic sites or museums:

21 (A) at or in the immediate vicinity of convention
22 center facilities or visitor information centers; or

23 (B) located elsewhere in the municipality or its
24 vicinity that would be frequented by tourists and convention
25 delegates;

26 (6) for a municipality located in a county with a
27 population of one million or less, expenses, including promotion

1 expenses, directly related to a sporting event in which the
2 majority of participants are tourists who substantially increase
3 economic activity at hotels and motels within the municipality or
4 its vicinity; ~~and~~

5 (7) subject to Section 351.1076, the promotion of
6 tourism by the enhancement and upgrading of existing sports
7 facilities or fields, including facilities or fields for baseball,
8 softball, soccer, and flag football, if:

9 (A) the municipality owns the facilities or
10 fields;

11 (B) the municipality:

12 (i) has a population of 80,000 or more and
13 is located in a county that has a population of 350,000 or less;

14 (ii) has a population of at least 65,000 but
15 not more than 70,000 and is located in a county that has a
16 population of 155,000 or less; or

17 (iii) has a population of at least 34,000
18 but not more than 36,000 and is located in a county that has a
19 population of 90,000 or less; and

20 (C) the sports facilities and fields have been
21 used, in the preceding calendar year, a combined total of more than
22 10 times for district, state, regional, or national sports
23 tournaments; and

24 (8) signage directing the public to sights and
25 attractions that are visited frequently by hotel guests in the
26 municipality.

27 (b) This section takes effect immediately if this Act

1 receives a vote of two-thirds of all the members elected to each
2 house, as provided by Section 39, Article III, Texas Constitution.
3 If this Act does not receive the vote necessary for immediate
4 effect, this section takes effect September 1, 2009.

5 SECTION 4. Subsections (b) and (c), Section 351.102, Tax
6 Code, are amended to read as follows:

7 (b) An eligible central municipality may pledge the revenue
8 derived from the tax imposed under this chapter from a hotel project
9 that is owned by or located on land owned by the municipality or by a
10 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 convention center entertainment-related
16 facilities, restaurants, shops, and parking facilities within
17 1,000 feet of the hotel or convention center facility. For bonds or
18 other obligations issued under this subsection, an eligible central
19 municipality may only pledge revenue or other assets of the hotel
20 project benefiting from those bonds or other obligations.

21 (c) A municipality to which Subsection (b) applies is
22 entitled to receive all funds from a project described by this
23 section that an owner of a project may receive under Section
24 151.429(h) of this code, or Section 2303.5055, Government Code, and
25 may pledge the funds for the payment of obligations issued under
26 this section.

27 SECTION 5. Subsection (b), Section 1504.001, Government

1 Code, is amended to read as follows:

2 (b) An eligible central municipality, as defined by Section
3 351.001, Tax Code, may establish, acquire, lease as lessee or
4 lessor, construct, improve, enlarge, equip, repair, operate, or
5 maintain a hotel, and any facilities ancillary to the hotel,
6 including convention center entertainment-related facilities,
7 restaurants, shops, and parking facilities, that are owned by or
8 located on land owned by the municipality or by a nonprofit
9 corporation acting on behalf of the municipality, and that are [~~is~~]
10 located within 1,000 feet of a hotel or a convention center facility
11 owned by the municipality.

12 SECTION 6. The change in law made by this Act applies only
13 to revenue derived from the tax to which this section applies that
14 is pledged on or after the effective date of this Act. Revenue
15 pledged before the effective date of this Act is governed by the law
16 in effect when the revenue was pledged, and the former law is
17 continued in effect for that purpose.

18 SECTION 7. Except as otherwise provided by this Act, this
19 Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1247 passed the Senate on April 2, 2009, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 30, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1247 passed the House, with amendments, on May 27, 2009, by the following vote: Yeas 138, Nays 10, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor