

By: Villarreal

H.B. No. 3508

A BILL TO BE ENTITLED

AN ACT

relating to the definition of a convention center facility and to the pledge for bonds.

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

SECTION 1. Section 351.001, Tax Code, is amended to read as follows:

Sec. 351.001. DEFINITIONS. In this chapter:

(1) "Municipality" includes any incorporated city, town, or village.

(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

1 municipality or a nonprofit municipally sponsored local government
2 corporation created under Chapter 431, Transportation Code, within
3 one mile of a convention center owned by the municipality. The term
4 includes parking areas or facilities that are for the parking or
5 storage of conveyances and that are located at or in the vicinity of
6 other convention center facilities. The term also includes a hotel
7 owned by or located on land that is owned by an eligible central
8 municipality or by a nonprofit corporation acting on behalf of an
9 eligible central municipality and that is located within 1,000 feet
10 of a convention center facility owned by the municipality.

11 (a) For the purposes of this chapter a hotel within 1000
12 feet of a Convention Center Facility must have:

13 (i) one room for each two thousand five hundred square
14 feet of usable convention center facility space, less parking areas
15 or facilities that are for the parking and storage of conveyances;
16 and

17 (ii) generate 40% or more of its revenues from nightly
18 lodging accommodations.

19 (3) "Eligible coastal municipality" means a home-rule
20 municipality that borders on the Gulf of Mexico and has a population
21 of less than 80,000.

22 (4) "Hotel" has the meaning assigned by Section
23 156.001.

24 (5) "Tourism" means the guidance or management of
25 tourists.

26 (6) "Tourist" means an individual who travels from the
27 individual's residence to a different municipality, county, state,

or country for pleasure, recreation, education, or culture.

(7) "Eligible central municipality" means a municipality with a population of more than 140,000 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.

(8) "Visitor information center" or "tourism information center" means a building or a portion of a building used to distribute or disseminate information to tourists.

(9) "Revenue" includes any interest derived from the revenue.

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(11) "Eligible barrier island coastal municipality" means a municipality:

(A) that borders on the Gulf of Mexico;

(B) that is located wholly on a barrier island;

and

(C) the boundaries of which are within 30 miles of the United Mexican States.

SECTION 2. Chapter 351.102(b) Tax Code, is amended 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, the principal component of which is a hotel providing one room for each two thousand five hundred square feet of usable convention center facility space, less parking areas or facilities that are for the parking or storage of conveyances, that generates 40% or more of its revenues from nightly sleeping accommodations; 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 convention center entertainment-related facilities, restaurants, shops, and parking facilities within 1,000 feet of the hotel or convention center facility. 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 that is located within two counties and is not an eligible central municipality may not pledge revenue under Subsection (b) in relation to a particular hotel project after the earlier of:

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

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

SECTION 3. The change in law made by this Act applies only

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1 to bonds issued on or after the effective date of this Act. Bonds
2 issued before the effective date of this Act are governed by the law
3 in effect at the time the bonds were issued, and that law is
4 continued in effect for that purpose.

5 SECTION 4. This Act takes effect September 1, 2011.