

AN ACT

relating to the powers and duties of certain public improvement districts operated by counties.

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

SECTION 1. Section 382.002, Local Government Code, is amended to read as follows:

Sec. 382.002. APPLICABILITY. This chapter applies only to:

(1) a county with a population of 1.5 million [~~825,000~~] or more, other than a county that:

(A) borders on the Gulf of Mexico or a bay or inlet of the gulf; or

(B) has two municipalities located wholly or partly in its boundaries each having a population of 225,000 [~~300,000~~] or more; or

(2) a county with a population of 70,000 or more that is adjacent to a county described by Subdivision (1) in which a municipality with a population of 35,000 or more is primarily situated and includes all or a part of the extraterritorial jurisdiction of a municipality with a population of 1.1 million or more.

SECTION 2. Subchapter C, Chapter 382, Local Government Code, is amended by adding Section 382.113 to read as follows:

Sec. 382.113. ANNEXATION OR EXCLUSION OF LAND. (a) This section applies only to a district created in a county described by

1 Section 382.002(1).

2 (b) A district may annex or exclude land from the district  
3 as provided by Subchapter J, Chapter 49, Water Code.

4 (c) Before a district may adopt an order adding or excluding  
5 land, the district must obtain the consent of:

6 (1) the county that created the district by a  
7 resolution of the county commissioners court; and

8 (2) a municipality in whose extraterritorial  
9 jurisdiction the district is located by a resolution adopted by the  
10 municipality's governing body.

11 SECTION 3. Sections 382.155(b) and (d), Local Government  
12 Code, are amended to read as follows:

13 (b) If authorized by a county, a district shall impose a  
14 hotel occupancy tax in the same manner as provided by [~~Chapter 383,~~  
15 ~~Local Government Code, and~~] Section 352.107, Tax Code [~~, except that~~  
16 ~~a hotel occupancy tax:~~

17 [~~(1) may be used for any purpose authorized in this~~  
18 ~~chapter, and~~

19 [~~(2) is authorized by the county to be imposed by the~~  
20 ~~district].~~

21 (d) A hotel occupancy tax imposed by a district in a county  
22 described by Section 382.002(1) may be used:

23 (1) for a purpose described by Chapter 352, Tax Code;  
24 or

25 (2) to encourage the development or operation of a  
26 hotel in the district, including an economic development program  
27 for or a grant, loan, service, or improvement to a hotel in the

1 district [~~may not be imposed on the occupants of a hotel unless the~~  
2 ~~owner of the hotel agrees to the imposition of the hotel occupancy~~  
3 ~~taxes under this chapter. After the owner agrees, the agreement~~  
4 ~~may not be revoked by the owner of the hotel or any subsequent owner~~  
5 ~~of the hotel. After an agreement under this section, the district~~  
6 ~~may impose hotel occupancy taxes as provided by this chapter].~~

7 SECTION 4. Subchapter D, Chapter 382, Local Government  
8 Code, is amended by adding Section 382.1555 to read as follows:

9 Sec. 382.1555. USE OF HOTEL OCCUPANCY TAX FOR ANY PURPOSE.

10 (a) If authorized by a county, a district may impose a hotel  
11 occupancy tax under Section 382.155 and use the revenue from the tax  
12 for any purpose authorized by this chapter if the owner of the hotel  
13 agrees to the imposition of the tax.

14 (b) After the owner agrees, the agreement may not be revoked  
15 by the owner of the hotel or any subsequent owner of the hotel.

16 (c) To the extent of a conflict with Section 382.155(d),  
17 this section controls.

18 SECTION 5. (a) The legislature validates and confirms all  
19 governmental acts and proceedings before the effective date of this  
20 Act of a district created under Chapter 382, Local Government Code,  
21 transferred from Subchapter C, Chapter 372, Local Government Code,  
22 by Chapter 87 (S.B. 1969), Acts of the 81st Legislature, Regular  
23 Session, 2009, before the effective date of this Act, including  
24 acts of the district's board of directors.

25 (b) Subsection (a) of this section does not apply to a  
26 matter that on the effective date of this Act:

27 (1) is involved in litigation, if the litigation

1 ultimately results in the matter being held invalid by a final court  
2 judgment; or

3           (2) has been held invalid by a final court judgment.

4           SECTION 6. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2011.

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 3597 was passed by the House on May 13, 2011, by the following vote: Yeas 143, Nays 1, 1 present, not voting.

---

Chief Clerk of the House

I certify that H.B. No. 3597 was passed by the Senate on May 25, 2011, by the following vote: Yeas 31, Nays 0.

---

Secretary of the Senate

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

Date

---

Governor