

1-1 By: Larson (Senate Sponsor - Uresti) H.B. No. 3597
1-2 (In the Senate - Received from the House May 16, 2011;
1-3 May 16, 2011, read first time and referred to Committee on Natural
1-4 Resources; May 20, 2011, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; May 20, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the powers and duties of certain public improvement
1-9 districts operated by counties.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 382.002, Local Government Code, is
1-12 amended to read as follows:

1-13 Sec. 382.002. APPLICABILITY. This chapter applies only to:

1-14 (1) a county with a population of 1.5 million
1-15 [~~825,000~~] or more, other than a county that:

1-16 (A) borders on the Gulf of Mexico or a bay or
1-17 inlet of the gulf; or

1-18 (B) has two municipalities located wholly or
1-19 partly in its boundaries each having a population of 225,000
1-20 [~~300,000~~] or more; or

1-21 (2) a county with a population of 70,000 or more that
1-22 is adjacent to a county described by Subdivision (1) in which a
1-23 municipality with a population of 35,000 or more is primarily
1-24 situated and includes all or a part of the extraterritorial
1-25 jurisdiction of a municipality with a population of 1.1 million or
1-26 more.

1-27 SECTION 2. Subchapter C, Chapter 382, Local Government
1-28 Code, is amended by adding Section 382.113 to read as follows:

1-29 Sec. 382.113. ANNEXATION OR EXCLUSION OF LAND. (a) This
1-30 section applies only to a district created in a county described by
1-31 Section 382.002(1).

1-32 (b) A district may annex or exclude land from the district
1-33 as provided by Subchapter J, Chapter 49, Water Code.

1-34 (c) Before a district may adopt an order adding or excluding
1-35 land, the district must obtain the consent of:

1-36 (1) the county that created the district by a
1-37 resolution of the county commissioners court; and

1-38 (2) a municipality in whose extraterritorial
1-39 jurisdiction the district is located by a resolution adopted by the
1-40 municipality's governing body.

1-41 SECTION 3. Sections 382.155(b) and (d), Local Government
1-42 Code, are amended to read as follows:

1-43 (b) If authorized by a county, a district shall impose a
1-44 hotel occupancy tax in the same manner as provided by [~~Chapter 383,~~
1-45 ~~Local Government Code, and~~] Section 352.107, Tax Code [~~, except that~~
1-46 ~~a hotel occupancy tax:~~

1-47 [~~(1) may be used for any purpose authorized in this~~
1-48 ~~chapter, and~~

1-49 [~~(2) is authorized by the county to be imposed by the~~
1-50 ~~district].~~

1-51 (d) A hotel occupancy tax imposed by a district in a county
1-52 described by Section 382.002(1) may be used:

1-53 (1) for a purpose described by Chapter 352, Tax Code;
1-54 or

1-55 (2) to encourage the development or operation of a
1-56 hotel in the district, including an economic development program
1-57 for or a grant, loan, service, or improvement to a hotel in the
1-58 district [may not be imposed on the occupants of a hotel unless the
1-59 owner of the hotel agrees to the imposition of the hotel occupancy
1-60 taxes under this chapter. After the owner agrees, the agreement
1-61 may not be revoked by the owner of the hotel or any subsequent owner
1-62 of the hotel. After an agreement under this section, the district
1-63 may impose hotel occupancy taxes as provided by this chapter].

1-64 SECTION 4. Subchapter D, Chapter 382, Local Government

2-1 Code, is amended by adding Section 382.1555 to read as follows:

2-2 Sec. 382.1555. USE OF HOTEL OCCUPANCY TAX FOR ANY PURPOSE.

2-3 (a) If authorized by a county, a district may impose a hotel
2-4 occupancy tax under Section 382.155 and use the revenue from the tax
2-5 for any purpose authorized by this chapter if the owner of the hotel
2-6 agrees to the imposition of the tax.

2-7 (b) After the owner agrees, the agreement may not be revoked
2-8 by the owner of the hotel or any subsequent owner of the hotel.

2-9 (c) To the extent of a conflict with Section 382.155(d),
2-10 this section controls.

2-11 SECTION 5. (a) The legislature validates and confirms all
2-12 governmental acts and proceedings before the effective date of this
2-13 Act of a district created under Chapter 382, Local Government Code,
2-14 transferred from Subchapter C, Chapter 372, Local Government Code,
2-15 by Chapter 87 (S.B. 1969), Acts of the 81st Legislature, Regular
2-16 Session, 2009, before the effective date of this Act, including
2-17 acts of the district's board of directors.

2-18 (b) Subsection (a) of this section does not apply to a
2-19 matter that on the effective date of this Act:

2-20 (1) is involved in litigation, if the litigation
2-21 ultimately results in the matter being held invalid by a final court
2-22 judgment; or

2-23 (2) has been held invalid by a final court judgment.

2-24 SECTION 6. This Act takes effect immediately if it receives
2-25 a vote of two-thirds of all the members elected to each house, as
2-26 provided by Section 39, Article III, Texas Constitution. If this
2-27 Act does not receive the vote necessary for immediate effect, this
2-28 Act takes effect September 1, 2011.

2-29 * * * * *