

AN ACT

relating to the imposition, use, rebate, and refund of certain taxes related to certain hotel business revenue.

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

SECTION 1. Section 2303.5055, Government Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding any other law, the comptroller shall deposit eligible taxable proceeds that were collected by or forwarded to the comptroller, and to which the qualified hotel project is entitled according to an agreement under this section, in trust in a separate suspense account of the project. A suspense account is outside the state treasury, and the comptroller may make a rebate, refund, or payment authorized by this section without the necessity of an appropriation. The comptroller shall rebate, refund, or pay to each qualified hotel project eligible taxable proceeds to which the project is entitled under this section at least quarterly.

SECTION 2. Subsection (h), Section 151.429, Tax Code, is amended to read as follows:

(h) Notwithstanding the other provisions of this section, the owner of a qualified hotel project shall receive a rebate, refund, or payment of 100 percent of the sales and use taxes paid or collected by the qualified hotel project or businesses located in the qualified hotel project pursuant to this chapter and 100

1 percent of the hotel occupancy taxes paid by persons for the use or  
2 possession of or for the right to the use or possession of a room or  
3 space at the qualified hotel project pursuant to the provisions of  
4 Chapter 156 during the first 10 years after such qualified hotel  
5 project is open for initial occupancy. The comptroller shall  
6 deposit the taxes in trust in a separate suspense account of the  
7 qualified hotel project. A suspense account is outside the state  
8 treasury, and the comptroller may make a rebate, refund, or payment  
9 authorized by this section without the necessity of an  
10 appropriation. The comptroller shall rebate, refund, or pay to  
11 each qualified hotel project eligible taxable proceeds to which the  
12 project is entitled under this section at least monthly.

13 SECTION 3. Subdivision (7), Section 351.001, Tax Code, is  
14 amended to read as follows:

15 (7) "Eligible central municipality" means:

16 (A) a municipality with a population of more than  
17 140,000 but less than 1.5 million that is located in a county with a  
18 population of one million or more and that has adopted a capital  
19 improvement plan for the expansion of an existing convention center  
20 facility; or

21 (B) a municipality with a population of 250,000  
22 or more that:

23 (i) is located wholly or partly on a barrier  
24 island that borders the Gulf of Mexico;

25 (ii) is located in a county with a  
26 population of 300,000 or more; and

27 (iii) has adopted a capital improvement

1 plan to expand an existing convention center facility.

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 977 passed the Senate on April 21, 2011, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 17, 2011, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 977 passed the House, with amendment, on May 9, 2011, by the following vote: Yeas 130, Nays 12, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor