

1-1 By: Bohac (Senate Sponsor - Lucio) H.B. No. 3169
 1-2 (In the Senate - Received from the House May 9, 2013;
 1-3 May 9, 2013, read first time and referred to Committee on Finance;
 1-4 May 20, 2013, reported favorably by the following vote: Yeas 14,
 1-5 Nays 0; May 20, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Williams	X		
1-9	Hinojosa	X		
1-10	Deuell	X		
1-11	Duncan	X		
1-12	Eltife	X		
1-13	Estes	X		
1-14	Hegar	X		
1-15	Huffman	X		
1-16	Lucio	X		
1-17	Nelson	X		
1-18	Patrick	X		
1-19	Seliger	X		
1-20	West		X	
1-21	Whitmire	X		
1-22	Zaffirini	X		

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to the imposition of the sales and use tax on taxable items
 1-26 sold or provided under certain contracts.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Sections 151.0565(a)(1) and (2), Tax Code, are
 1-29 amended to read as follows:

1-30 (1) "Destination management services" means the
 1-31 following services when provided under a qualified destination
 1-32 management services contract:

1-33 (A) transportation vehicle management;
 1-34 (B) booking and managing entertainers;
 1-35 (C) coordination of tours or recreational
 1-36 activities;

1-37 (D) meeting, conference, or event registration;
 1-38 (E) meeting, conference, transportation, or
 1-39 event staffing;

1-40 (F) event management; ~~and~~
 1-41 (G) meal coordination;

1-42 (H) shuttle system services, including vehicle
 1-43 staging, radio communications, signage, and routing services; and

1-44 (I) airport meet-and-greet services, including
 1-45 the provision of airport permits, manifest management services,
 1-46 portage, and passenger greeting services.

1-47 (2) "Qualified destination management company" means
 1-48 a business entity that:

1-49 (A) is incorporated or is a limited liability
 1-50 company;

1-51 (B) receives at least 80 percent of the entity's
 1-52 annual total revenue from providing or arranging for the provision
 1-53 of destination management services;

1-54 (C) maintains a permanent nonresidential office
 1-55 from which the destination management services are provided or
 1-56 arranged;

1-57 (D) has at least three full-time employees;

1-58 (E) maintains a general liability insurance
 1-59 policy with a limit of at least \$1 million ~~[spends at least one~~
 1-60 ~~percent of the entity's annual gross receipts to market the~~
 1-61 ~~destinations with respect to which destination management services~~

2-1 ~~are provided];~~
2-2 (F) has at least 80 percent of the entity's
2-3 clients [~~described by Subdivision (3)(A)~~] located outside this
2-4 state;

2-5 (G) other than office equipment used in the
2-6 conduct of the entity's business, does not own equipment used to
2-7 directly provide destination management services, including motor
2-8 coaches, limousines, sedans, dance floors, decorative props,
2-9 lighting, podiums, sound or video equipment, or equipment for
2-10 catered meals;

2-11 (H) does not prepare or serve beverages, meals,
2-12 or other food products, but may procure catering services on behalf
2-13 of the entity's clients [~~is not doing business as a caterer~~];

2-14 (I) does not provide services for weddings;

2-15 (J) does not own or operate a venue at which
2-16 events or activities for which destination management services are
2-17 provided occur; and

2-18 (K) [~~is not a subsidiary of another entity that,~~
2-19 ~~and~~] is not a member of an affiliated group, as that term is defined
2-20 by Section 171.0001, another member of which:

2-21 (i) prepares or serves beverages, meals, or
2-22 other food products [~~is doing business as, or owns or operates~~
2-23 ~~another entity doing business as, a caterer~~]; or

2-24 (ii) owns or operates a venue described by
2-25 Paragraph (J).

2-26 SECTION 2. The change in law made by this Act does not
2-27 affect tax liability accruing before the effective date of this
2-28 Act. That liability continues in effect as if this Act had not been
2-29 enacted, and the former law is continued in effect for the
2-30 collection of taxes due and for civil and criminal enforcement of
2-31 the liability for those taxes.

2-32 SECTION 3. This Act takes effect September 1, 2013.

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