

By: Nelson

S.B. No. 748

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain tax revenue to enhance and upgrade convention center facilities, multipurpose arenas, multiuse facilities, and related infrastructure in certain municipalities.

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

SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1015 to read as follows:

Sec. 351.1015. CERTAIN QUALIFIED PROJECTS. (a) In this section:

(1) "Base year amount" means the amount of hotel-associated revenue collected in a project financing zone during the calendar year in which a municipality designates the zone.

(2) "Hotel-associated revenue" means the sum of:

(A) state tax revenue collected in a project financing zone from all hotels located in the zone that would be available to the owners of qualified hotel projects under Section 151.429(h) if the hotels were qualified hotel projects, excluding the amount of that revenue received by a municipality under Section 351.102(c) for a hotel project described by Section 351.102(b) and located in the zone that exists on the date the municipality designates the zone; and

(B) tax revenue collected from all permittees under Chapter 183 at hotels located in the zone, excluding revenue

1 disbursed by the comptroller under Section 183.051(b).

2 (3) "Incremental hotel-associated revenue" means the
3 amount in any calendar year by which hotel-associated revenue,
4 including hotel-associated revenue from hotels built in the project
5 financing zone after the year in which a municipality designates
6 the zone, exceeds the base year amount.

7 (4) "Project financing zone" means an area within a
8 municipality:

9 (A) that the municipality by ordinance or by
10 agreement under Chapter 380, Local Government Code, designates as a
11 project financing zone;

12 (B) the boundaries of which are within a
13 three-mile radius of the center of a qualified project;

14 (C) the designation of which specifies the
15 longitude and latitude of the center of the qualified project; and

16 (D) the designation of which expires not later
17 than the 30th anniversary of the date of designation.

18 (5) "Qualified project" means a convention center
19 facility, a multipurpose arena, a multiuse facility, and any
20 related infrastructure or a venue as defined by Section 334.001,
21 Local Government Code, that is:

22 (A) located on land owned by a municipality or by
23 the owner of the venue;

24 (B) if the project is not a convention center
25 facility, partially financed by private contributions that equal
26 not less than 40 percent of the project costs; and

27 (C) related to the promotion of tourism and the

1 convention and hotel industry.

2 (b) This section applies only to a qualified project located
3 in a municipality with a population of at least 650,000 but less
4 than 750,000.

5 (c) In addition to the uses provided by Section 351.101,
6 revenue from the municipal hotel occupancy tax may be used to fund a
7 qualified project.

8 (d) A municipality may pledge the revenue derived from the
9 tax imposed under this chapter from a hotel located in the project
10 financing zone for the payment of bonds or other obligations issued
11 or incurred to acquire, lease, construct, improve, enlarge, and
12 equip the qualified project.

13 (e) A municipality may pledge for the payment of bonds or
14 other obligations described by Subsection (d) the local revenue
15 from eligible tax proceeds as defined by Section 2303.5055(e),
16 Government Code, from hotels located in a project financing zone
17 that would be available to the owners of qualified hotel projects
18 under that section if the hotels were qualified hotel projects,
19 excluding any amount received by the municipality for a hotel
20 project described by Section 351.102(b) and located in the zone
21 that exists on the date the municipality designates the zone.

22 (f) A municipality shall notify the comptroller of the
23 municipality's designation of a project financing zone not later
24 than the 30th day after the date the municipality designates the
25 zone. Notwithstanding other law, the municipality is entitled to
26 receive the incremental hotel-associated revenue from the project
27 financing zone for the period beginning on the first day of the year

1 after the year in which the municipality designates the zone and
2 ending on the last day of the month during which the designation
3 expires. The municipality may pledge the revenue for the payment of
4 bonds or other obligations described by Subsection (d).

5 (g) The comptroller shall deposit incremental
6 hotel-associated revenue collected by or forwarded to the
7 comptroller in a separate suspense account to be held in trust for
8 the municipality that is entitled to receive the revenue. The
9 suspense account is outside the state treasury, and the comptroller
10 may make a payment authorized by this section from the account
11 without the necessity of an appropriation. The comptroller shall
12 begin making payments from the suspense account to the municipality
13 for which the money is held on the date the qualified project in the
14 project financing zone is commenced. If the qualified project is
15 not commenced by the fifth anniversary of the first deposit to the
16 account, the comptroller shall transfer the money in the account to
17 the general revenue fund and cease making deposits to the account.

18 (h) The comptroller may estimate the amount of incremental
19 hotel-associated revenue that will be deposited to a suspense
20 account under Subsection (g) during each calendar year. The
21 comptroller may make deposits to the account and the municipality
22 may request disbursements from the account on a monthly basis based
23 on the estimate. At the end of each calendar year, the comptroller
24 shall adjust the deposits and disbursements to reflect the amount
25 of revenue actually deposited to the account during the calendar
26 year.

27 (i) A municipality shall notify the comptroller if the

1 qualified project in the project financing zone is abandoned. If
2 the qualified project is abandoned, the comptroller shall transfer
3 to the general revenue fund the amount of money in the suspense
4 account that exceeds the amount required for the payment of bonds or
5 other obligations described by Subsection (d).

6 SECTION 2. Subsection (a), Section 351.1065, Tax Code, is
7 amended to read as follows:

8 (a) An eligible central municipality shall use the amount of
9 revenue from the tax that is derived from the application of the tax
10 at a rate of more than seven percent of the cost of a room only for:

11 (1) the construction of an expansion of an existing
12 convention center facility; ~~and~~

13 (2) a qualified project to which Section 351.1015
14 applies; and

15 (3) pledging payment of revenue bonds and revenue
16 refunding bonds issued under Subchapter A, Chapter 1504, Government
17 Code, for the construction or qualified project ~~[of the expansion].~~

18 SECTION 3. This Act takes effect September 1, 2013.