

By: Nelson

S.B. No. 748

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the use of certain tax revenue to enhance and upgrade
3 convention center facilities, multipurpose arenas, multiuse
4 facilities, and related infrastructure in certain municipalities.

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

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

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

10 (1) "Project financing zone" means an area within a
11 municipality:

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

15 (B) the boundaries of which are within three
16 miles of a qualified project; and

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

19 (2) "Qualified project" means the construction,
20 improvement, enlargement, and equipment of a convention center
21 facility, a multipurpose arena, a multiuse facility, and any
22 related infrastructure that is:

23 (A) located in a project financing zone on land
24 owned by a municipality or by the owner of a venue, as defined by

1 Section 334.001, Local Government Code;

2 (B) partially financed by private contributions
3 that equal not less than 40 percent of the project costs; and

4 (C) related to the promotion of tourism and the
5 convention and hotel industry.

6 (3) "Tax base" means the amount of funds available
7 under Subsection (e) from all hotels within the project financing
8 zone in the calendar year that the municipality designates the
9 zone, excluding funds received by the municipality for a hotel
10 project described by Section 351.102(b) existing on the date the
11 zone is designated.

12 (b) This section applies only to a qualified project located
13 in a municipality with a population of at least 650,000 but less
14 than 800,000.

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

18 (d) A municipality may pledge the revenue derived from the
19 tax imposed under this chapter from a hotel located in the project
20 financing zone for the payment of bonds or other obligations issued
21 or incurred to acquire, lease, construct, and equip the qualified
22 project.

23 (e) Notwithstanding other law, a municipality is entitled
24 to receive funds from hotels located in a project financing zone
25 that an owner of a qualified hotel project may receive under Section
26 151.429(h) of this code, or Section 2303.5055, Government Code, and
27 may pledge the funds for the payment of bonds or other obligations

1 described by Subsection (d). The amount the municipality is
2 entitled to receive under this subsection may not exceed the
3 difference between the tax base and the total amount the owners of
4 all included hotels may receive under those provisions. The funds
5 are not subject to the limitations provided by Section 151.429(h)
6 of this code or the provisions of Section 2303.5055, Government
7 Code, but shall be deposited and distributed as provided by those
8 sections.

9 (f) The funds received under Subsection (e) must be held in
10 trust by the comptroller in a separate suspense account for not more
11 than five years after the date of the first deposit following the
12 date the project financing zone is designated. When a qualified
13 project is commenced, the comptroller shall release the funds to
14 the municipality for which they were held in trust.

15 SECTION 2. Section 351.1065(a), Tax Code, is amended to
16 read as follows:

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

20 (1) the construction of an expansion of an existing
21 convention center facility; ~~and~~

22 (2) a qualified project to which Section 351.1015
23 applies; and

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

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