

1-1 By: Nelson S.B. No. 748
 1-2 (In the Senate - Filed February 22, 2013; February 26, 2013,
 1-3 read first time and referred to Committee on Economic Development;
 1-4 March 25, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 5, Nays 0; March 25, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14			X	
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 748 By: Hancock

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the use of certain tax revenue to enhance and upgrade
 1-20 convention center facilities, multipurpose arenas, multiuse
 1-21 facilities, and related infrastructure in certain municipalities.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subchapter B, Chapter 351, Tax Code, is amended
 1-24 by adding Section 351.1015 to read as follows:

1-25 Sec. 351.1015. CERTAIN QUALIFIED PROJECTS. (a) In this
 1-26 section:

1-27 (1) "Base year amount" means the amount of
 1-28 hotel-associated revenue collected in a project financing zone
 1-29 during the calendar year in which a municipality designates the
 1-30 zone.

1-31 (2) "Hotel-associated revenue" means the sum of:

1-32 (A) state tax revenue collected in a project
 1-33 financing zone from all hotels located in the zone that would be
 1-34 available to the owners of qualified hotel projects under Section
 1-35 151.429(h) if the hotels were qualified hotel projects, excluding
 1-36 the amount of that revenue received by a municipality under Section
 1-37 351.102(c) for a hotel project described by Section 351.102(b) and
 1-38 located in the zone that exists on the date the municipality
 1-39 designates the zone; and

1-40 (B) tax revenue collected from all permittees
 1-41 under Chapter 183 at hotels located in the zone, excluding revenue
 1-42 disbursed by the comptroller under Section 183.051(b).

1-43 (3) "Incremental hotel-associated revenue" means the
 1-44 amount in any calendar year by which hotel-associated revenue,
 1-45 including hotel-associated revenue from hotels built in the project
 1-46 financing zone after the year in which a municipality designates
 1-47 the zone, exceeds the base year amount.

1-48 (4) "Project financing zone" means an area within a
 1-49 municipality:

1-50 (A) that the municipality by ordinance or by
 1-51 agreement under Chapter 380, Local Government Code, designates as a
 1-52 project financing zone;

1-53 (B) the boundaries of which are within a
 1-54 three-mile radius of the center of a qualified project;

1-55 (C) the designation of which specifies the
 1-56 longitude and latitude of the center of the qualified project; and

1-57 (D) the designation of which expires not later
 1-58 than the 30th anniversary of the date of designation.

1-59 (5) "Qualified project" means a convention center
 1-60 facility, a multipurpose arena, a multiuse facility, and any

2-1 related infrastructure or a venue as defined by Section 334.001,
 2-2 Local Government Code, that is:

2-3 (A) located on land owned by a municipality or by
 2-4 the owner of the venue;

2-5 (B) if the project is not a convention center
 2-6 facility, partially financed by private contributions that equal
 2-7 not less than 40 percent of the project costs; and

2-8 (C) related to the promotion of tourism and the
 2-9 convention and hotel industry.

2-10 (b) This section applies only to a qualified project located
 2-11 in a municipality with a population of at least 650,000 but less
 2-12 than 750,000.

2-13 (c) In addition to the uses provided by Section 351.101,
 2-14 revenue from the municipal hotel occupancy tax may be used to fund a
 2-15 qualified project.

2-16 (d) A municipality may pledge the revenue derived from the
 2-17 tax imposed under this chapter from a hotel located in the project
 2-18 financing zone for the payment of bonds or other obligations issued
 2-19 or incurred to acquire, lease, construct, improve, enlarge, and
 2-20 equip the qualified project.

2-21 (e) A municipality may pledge for the payment of bonds or
 2-22 other obligations described by Subsection (d) the local revenue
 2-23 from eligible tax proceeds as defined by Section 2303.5055(e),
 2-24 Government Code, from hotels located in a project financing zone
 2-25 that would be available to the owners of qualified hotel projects
 2-26 under that section if the hotels were qualified hotel projects,
 2-27 excluding any amount received by the municipality for a hotel
 2-28 project described by Section 351.102(b) and located in the zone
 2-29 that exists on the date the municipality designates the zone.

2-30 (f) A municipality shall notify the comptroller of the
 2-31 municipality's designation of a project financing zone not later
 2-32 than the 30th day after the date the municipality designates the
 2-33 zone. Notwithstanding other law, the municipality is entitled to
 2-34 receive the incremental hotel-associated revenue from the project
 2-35 financing zone for the period beginning on the first day of the year
 2-36 after the year in which the municipality designates the zone and
 2-37 ending on the last day of the month during which the designation
 2-38 expires. The municipality may pledge the revenue for the payment of
 2-39 bonds or other obligations described by Subsection (d).

2-40 (g) The comptroller shall deposit incremental
 2-41 hotel-associated revenue collected by or forwarded to the
 2-42 comptroller in a separate suspense account to be held in trust for
 2-43 the municipality that is entitled to receive the revenue. The
 2-44 suspense account is outside the state treasury, and the comptroller
 2-45 may make a payment authorized by this section from the account
 2-46 without the necessity of an appropriation. The comptroller shall
 2-47 begin making payments from the suspense account to the municipality
 2-48 for which the money is held on the date the qualified project in the
 2-49 project financing zone is commenced. If the qualified project is
 2-50 not commenced by the fifth anniversary of the first deposit to the
 2-51 account, the comptroller shall transfer the money in the account to
 2-52 the general revenue fund and cease making deposits to the account.

2-53 (h) The comptroller may estimate the amount of incremental
 2-54 hotel-associated revenue that will be deposited to a suspense
 2-55 account under Subsection (g) during each calendar year. The
 2-56 comptroller may make deposits to the account and the municipality
 2-57 may request disbursements from the account on a monthly basis based
 2-58 on the estimate. At the end of each calendar year, the comptroller
 2-59 shall adjust the deposits and disbursements to reflect the amount
 2-60 of revenue actually deposited to the account during the calendar
 2-61 year.

2-62 (i) A municipality shall notify the comptroller if the
 2-63 qualified project in the project financing zone is abandoned. If
 2-64 the qualified project is abandoned, the comptroller shall transfer
 2-65 to the general revenue fund the amount of money in the suspense
 2-66 account that exceeds the amount required for the payment of bonds or
 2-67 other obligations described by Subsection (d).

2-68 SECTION 2. Subsection (a), Section 351.1065, Tax Code, is
 2-69 amended to read as follows:

3-1 (a) An eligible central municipality shall use the amount of
3-2 revenue from the tax that is derived from the application of the tax
3-3 at a rate of more than seven percent of the cost of a room only for:
3-4 (1) the construction of an expansion of an existing
3-5 convention center facility; ~~and~~
3-6 (2) a qualified project to which Section 351.1015
3-7 applies; and
3-8 (3) pledging payment of revenue bonds and revenue
3-9 refunding bonds issued under Subchapter A, Chapter 1504, Government
3-10 Code, for the construction or qualified project ~~[of the expansion]~~.
3-11 SECTION 3. This Act takes effect September 1, 2013.

3-12

* * * * *