

AN ACT

relating to the construction, remodeling, or rehabilitation of certain hotel projects.

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

SECTION 1. Subdivision (8), Section 2303.003, Government Code, is amended to read as follows:

(8) "Qualified hotel project" means:

(A) a hotel proposed to be constructed by a municipality or a nonprofit municipally sponsored local government corporation created under the Texas Transportation Corporation Act, Chapter 431, Transportation Code, that is within 1,000 feet of a convention center owned by a municipality having a population of 1,500,000 or more, including shops, parking facilities, and any other facilities ancillary to the hotel; and

(B) a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created under the Texas Transportation Corporation Act, Chapter 431, Transportation Code, that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States.

SECTION 2. Subsection (b), Section 2303.5055, Government Code, is amended to read as follows:

(b) A municipality with a population of 1,500,000 or more or

1 a municipality having a population of more than 500,000 and that
2 borders the United Mexican States may agree to guarantee from hotel
3 occupancy taxes the bonds or other obligations of a municipally
4 sponsored local government corporation created under the Texas
5 Transportation Corporation Act, Chapter 431, Transportation Code,
6 [~~Article 15281, Vernon's Texas Civil Statutes~~] that were issued
7 or incurred to pay the cost of construction, remodeling, or
8 rehabilitation of a qualified hotel project.

9 SECTION 3. Subsection (h), Section 151.429, Tax Code, is
10 amended to read as follows:

11 (h) This subsection does not apply to a qualified hotel
12 project described by Section 2303.003(8)(B), Government Code.
13 Notwithstanding the other provisions of this section, the owner of
14 a qualified hotel project shall receive a rebate, refund, or
15 payment of 100 percent of the sales and use taxes paid or collected
16 by the qualified hotel project or businesses located in the
17 qualified hotel project pursuant to this chapter and 100 percent of
18 the hotel occupancy taxes paid by persons for the use or possession
19 of or for the right to the use or possession of a room or space at
20 the qualified hotel project pursuant to the provisions of Chapter
21 156 during the first 10 years after such qualified hotel project is
22 open for initial occupancy. The comptroller shall deposit the
23 taxes in trust in a separate suspense account of the qualified hotel
24 project. A suspense account is outside the state treasury, and the
25 comptroller may make a rebate, refund, or payment authorized by
26 this section without the necessity of an appropriation. The
27 comptroller shall rebate, refund, or pay to each qualified hotel

1 project eligible taxable proceeds to which the project is entitled
2 under this section at least monthly.

3 SECTION 4. Subdivision (2), Section 351.001, Tax Code, is
4 amended to read as follows:

5 (2) "Convention center facilities" or "convention
6 center complex" means facilities that are primarily used to host
7 conventions and meetings. The term means civic centers, civic
8 center buildings, auditoriums, exhibition halls, and coliseums
9 that are owned by the municipality or other governmental entity or
10 that are managed in whole or part by the municipality. In a
11 municipality with a population of 1.5 million or more, "convention
12 center facilities" or "convention center complex" means civic
13 centers, civic center buildings, auditoriums, exhibition halls,
14 and coliseums that are owned by the municipality or other
15 governmental entity or that are managed in part by the
16 municipality, hotels owned by the municipality or a nonprofit
17 municipally sponsored local government corporation created under
18 Chapter 431, Transportation Code, within 1,000 feet of a convention
19 center owned by the municipality, or a historic hotel owned by the
20 municipality or a nonprofit municipally sponsored local government
21 corporation created under Chapter 431, Transportation Code, within
22 one mile of a convention center owned by the municipality. The term
23 includes parking areas or facilities that are for the parking or
24 storage of conveyances and that are located at or in the vicinity of
25 other convention center facilities. The term also includes a hotel
26 owned by or located on land that is owned by an eligible central
27 municipality or by a nonprofit corporation acting on behalf of an

1 eligible central municipality and that is located within 1,000 feet
2 of a convention center facility owned by the municipality. The term
3 also includes a hotel proposed to be constructed, remodeled, or
4 rehabilitated by a municipality or a nonprofit municipally
5 sponsored local government corporation created under Chapter 431,
6 Transportation Code, that is within 3,000 feet of the property line
7 of a convention center owned by a municipality having a population
8 of more than 500,000 and that borders the United Mexican States.

9 SECTION 5. Subsection (a), Section 351.102, Tax Code, is
10 amended to read as follows:

11 (a) Subject to the limitations provided by this subchapter,
12 a municipality may pledge the revenue derived from the tax imposed
13 under this chapter for the payment of bonds that are issued under
14 Section 1504.002(a), Government Code, for one or more of the
15 purposes provided by Section 351.101 or, in the case of a
16 municipality of 1,500,000 or more or a municipality having a
17 population of more than 500,000 and that borders the United Mexican
18 States, for the payment of principal of or interest on bonds or
19 other obligations of a municipally sponsored local government
20 corporation created under Chapter 431, Transportation Code, that
21 were issued to pay the cost of the acquisition and construction of a
22 convention center hotel or the cost of acquisition, remodeling, or
23 rehabilitation of a historic hotel structure; provided, however,
24 such pledge may only be that portion of the tax collected at such
25 hotel.

26 SECTION 6. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1719 passed the Senate on
April 29, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1719 passed the House on
May 17, 2013, by the following vote: Yeas 138, Nays 3, three
present not voting.

Chief Clerk of the House

Approved:

Date

Governor