

Amend **HB 2445** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 351.102, Tax Code, is amended by amending Subsections (b), (c), and (d) and adding Subsection (f) to read as follows:

(b) An eligible central municipality, a municipality with a population of 173,000 or more that is located within two or more counties, a municipality with a population of 96,000 or more that is located in a county that borders Lake Palestine or contains the headwaters of the San Gabriel River, or a municipality with a population of at least 99,900 but not more than 111,000 that is located in a county with a population of at least 135,000 may pledge the revenue derived from the tax imposed under this chapter from a hotel project that is owned by or located on land owned by the municipality or, in an eligible central municipality, by a nonprofit corporation acting on behalf of an eligible central municipality, and that is located within 1,000 feet of a convention center facility owned by the municipality for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip the hotel and any facilities ancillary to the hotel, including convention center entertainment-related facilities, meeting spaces, restaurants, shops, street and water and sewer infrastructure necessary for the operation of the hotel or ancillary facilities, and parking facilities within 1,000 feet of the hotel or convention center facility. For bonds or other obligations issued under this subsection, an eligible central municipality or a municipality described by this subsection or Subsection (f) may only pledge revenue or other assets of the hotel project benefiting from those bonds or other obligations.

(c) A municipality to which Subsection (b) or (f) applies is entitled to receive all funds from a project described by this section that an owner of a project may receive under Section 151.429(h) of this code, or Section 2303.5055, Government Code, and may pledge the funds for the payment of obligations issued under this section.

(d) Except as provided by this subsection, an eligible

central municipality or another municipality described by Subsection (b) or (f) that uses revenue derived from the tax imposed under this chapter or funds received under Subsection (c) for a hotel project described by Subsection (b) may not reduce the percentage of revenue from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue or funds for the hotel project. This subsection does not apply to an eligible central municipality described by Section 351.001(7)(D).

(f) In addition to the municipalities described by Subsection (b), that subsection also applies to a municipality with a population of less than 2,000 that:

(1) is located adjacent to a bay connected to the Gulf of Mexico;

(2) is located in a county with a population of 290,000 or more that is adjacent to a county with a population of four million or more; and

(3) has a boardwalk on the bay.