

By: Raymond

H.B. No. 2538

Substitute the following for H.B. No. 2538:

By: Springer

C.S.H.B. No. 2538

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the use of certain tax revenue by certain
3 municipalities and the authority of those municipalities to pledge
4 that revenue for the payment of obligations related to hotel and
5 convention center projects.

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

7 SECTION 1. Section 351.1015(a)(2), Tax Code, is amended to
8 read as follows:

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

10 (A) state tax revenue collected in a project
11 financing zone from all hotels located in the zone that would be
12 available to the owners of qualified hotel projects under Section
13 151.429(h) if the hotels were qualified hotel projects, excluding
14 the amount of that revenue received by a municipality under Section
15 351.102(c) or (c-1) for a [~~hotel~~] project described by Section
16 351.102(b) or (c-1) that is [~~and~~] located in the zone and that
17 exists on the date the municipality designates the zone; and

18 (B) tax revenue collected from all permittees
19 under Chapter 183 at hotels located in the zone, excluding revenue
20 disbursed by the comptroller under Section 183.051(b).

21 SECTION 2. Section 351.1015, Tax Code, is amended by
22 amending Subsections (b) and (e) to read as follows:

23 (b) This section applies only to a qualified project located
24 in a municipality:

1 (1) with a population of at least 650,000 but less than
2 750,000 according to the most recent federal decennial census; or
3 (2) described by Section [351.102\(c-1\)](#).

4 (e) A municipality may pledge for the payment of bonds or
5 other obligations described by Subsection (d) the local revenue
6 from eligible tax proceeds as defined by Section [2303.5055\(e\)](#),
7 Government Code, from hotels located in a project financing zone
8 that would be available to the owners of qualified hotel projects
9 under that section if the hotels were qualified hotel projects,
10 excluding any amount received by the municipality for a [~~hotel~~]
11 project described by Section [351.102\(b\)](#) or (c-1) that is [~~and~~]
12 located in the zone and that exists on the date the municipality
13 designates the zone unless another law authorizes the municipality
14 to pledge that amount for the payment of the bonds or other
15 obligations.

16 SECTION 3. Section [351.102](#), Tax Code, is amended by
17 amending Subsection (c) and adding Subsection (c-1) to read as
18 follows:

19 (c) A municipality to which Subsection (b) applies is
20 entitled to receive all funds from a project described by
21 Subsection (b) [~~this section~~] that an owner of a project may receive
22 under Section [151.429\(h\)](#) of this code, or Section [2303.5055](#),
23 Government Code, and may pledge the funds for the payment of
24 obligations issued under this section.

25 (c-1) A municipality to which this subsection applies is
26 entitled to receive all funds from a hotel and convention center
27 project that the owner of a project could receive under Section

1 151.429(h) of this code or Section 2303.5055, Government Code, if a
2 project for purposes of those provisions included a hotel and
3 convention center project. The municipality may pledge the funds
4 for payment of obligations issued under this section for the hotel
5 and convention center project. For purposes of this subsection,
6 "hotel and convention center project" means a project that is an
7 existing hotel owned by the municipality or another person and a
8 convention center facility to be acquired, constructed, equipped,
9 or leased, that will be located within 1,000 feet of the hotel, and
10 that will be owned by or located on land owned by the municipality.
11 This subsection applies only to a municipality that:

- 12 (1) is the county seat of a county that:
13 (A) borders the United Mexican States;
14 (B) has a population of less than 300,000; and
15 (C) contains one or more municipalities with a
16 population of 200,000 or more; and
17 (2) holds an annual jalapeño festival.

18 SECTION 4. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2017.