

By: Perry

S.B. No. 797

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of certain municipalities to pledge  
3 certain tax revenue for the payment of obligations related to hotel  
4 projects.

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

6 SECTION 1. Section [351.102](#), Tax Code, is amended by  
7 amending Subsections (b), (c), and (d) and adding Subsection (e) to  
8 read as follows:

9 (b) An eligible central municipality, a municipality with a  
10 population of 173,000 or more that is located within two or more  
11 counties, a municipality with a population of 96,000 or more that is  
12 located in a county that borders Lake Palestine or contains the  
13 headwaters of the San Gabriel River, or a municipality with a  
14 population of at least 99,900 but not more than 111,000 that is  
15 located in a county with a population of at least 135,000 may pledge  
16 the revenue derived from the tax imposed under this chapter from a  
17 hotel project that is owned by or located on land owned by the  
18 municipality or, in an eligible central municipality, by a  
19 nonprofit corporation acting on behalf of an eligible central  
20 municipality, and that is located within 1,000 feet of a convention  
21 center facility owned by the municipality for the payment of bonds  
22 or other obligations issued or incurred to acquire, lease,  
23 construct, and equip the hotel and any facilities ancillary to the  
24 hotel, including convention center entertainment-related

1 facilities, meeting spaces, restaurants, shops, street and water  
2 and sewer infrastructure necessary for the operation of the hotel  
3 or ancillary facilities, and parking facilities within 1,000 feet  
4 of the hotel or convention center facility. For bonds or other  
5 obligations issued under this subsection, an eligible central  
6 municipality or a municipality described by this subsection or  
7 Subsection (e) may only pledge revenue or other assets of the hotel  
8 project benefiting from those bonds or other obligations.

9 (c) A municipality to which Subsection (b) or (e) applies is  
10 entitled to receive all funds from a project described by this  
11 section that an owner of a project may receive under Section  
12 [151.429](#)(h) of this code, or Section [2303.5055](#), Government Code, and  
13 may pledge the funds for the payment of obligations issued under  
14 this section.

15 (d) Except as provided by this subsection, an eligible  
16 central municipality or another municipality described by  
17 Subsection (b) or (e) that uses revenue derived from the tax imposed  
18 under this chapter or funds received under Subsection (c) for a  
19 hotel project described by Subsection (b) may not reduce the  
20 percentage of revenue from the tax imposed under this chapter and  
21 allocated for a purpose described by Section [351.101](#)(a)(3) to a  
22 percentage that is less than the average percentage of that revenue  
23 allocated by the municipality for that purpose during the 36-month  
24 period preceding the date the municipality begins using the revenue  
25 or funds for the hotel project. This subsection does not apply to  
26 an eligible central municipality described by Section  
27 [351.001](#)(7)(D).

1       (e) In addition to the municipalities described by  
2 Subsection (b), that subsection also applies to a municipality with  
3 a population of at least 200,000 but not more than 300,000 that  
4 contains a component institution of the Texas Tech University  
5 System.

6       SECTION 2. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2017.