

1-1 By: Estes S.B. No. 832  
 1-2 (In the Senate - Filed February 10, 2017; February 27, 2017,  
 1-3 read first time and referred to Committee on Natural Resources &  
 1-4 Economic Development; March 30, 2017, reported favorably by the  
 1-5 following vote: Yeas 7, Nays 0, 1 present not voting;  
 1-6 March 30, 2017, 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			X	
1-17	X			
1-18	X			
1-19				X

1-20 A BILL TO BE ENTITLED  
 1-21 AN ACT

1-22 relating to the authority of certain municipalities to pledge  
 1-23 revenue from the municipal hotel occupancy tax for the payment of  
 1-24 obligations related to hotel projects.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 351.102, Tax Code, is amended by  
 1-27 amending Subsections (b), (c), and (d) and adding Subsection (e) to  
 1-28 read as follows:

1-29 (b) An eligible central municipality, a municipality with a  
 1-30 population of 173,000 or more that is located within two or more  
 1-31 counties, a municipality with a population of 96,000 or more that is  
 1-32 located in a county that borders Lake Palestine or contains the  
 1-33 headwaters of the San Gabriel River, or a municipality with a  
 1-34 population of at least 99,900 but not more than 111,000 that is  
 1-35 located in a county with a population of at least 135,000 may pledge  
 1-36 the revenue derived from the tax imposed under this chapter from a  
 1-37 hotel project that is owned by or located on land owned by the  
 1-38 municipality or, in an eligible central municipality, by a  
 1-39 nonprofit corporation acting on behalf of an eligible central  
 1-40 municipality, and that is located within 1,000 feet of a convention  
 1-41 center facility owned by the municipality for the payment of bonds  
 1-42 or other obligations issued or incurred to acquire, lease,  
 1-43 construct, and equip the hotel and any facilities ancillary to the  
 1-44 hotel, including convention center entertainment-related  
 1-45 facilities, meeting spaces, restaurants, shops, street and water  
 1-46 and sewer infrastructure necessary for the operation of the hotel  
 1-47 or ancillary facilities, and parking facilities within 1,000 feet  
 1-48 of the hotel or convention center facility. For bonds or other  
 1-49 obligations issued under this subsection, an eligible central  
 1-50 municipality or a municipality described by this subsection or  
 1-51 Subsection (e) may only pledge revenue or other assets of the hotel  
 1-52 project benefiting from those bonds or other obligations.

1-53 (c) A municipality to which Subsection (b) or (e) applies is  
 1-54 entitled to receive all funds from a project described by this  
 1-55 section that an owner of a project may receive under Section  
 1-56 151.429(h) of this code, or Section 2303.5055, Government Code, and  
 1-57 may pledge the funds for the payment of obligations issued under  
 1-58 this section.

1-59 (d) Except as provided by this subsection, an eligible  
 1-60 central municipality or another municipality described by  
 1-61 Subsection (b) or (e) that uses revenue derived from the tax imposed

2-1 under this chapter or funds received under Subsection (c) for a  
2-2 hotel project described by Subsection (b) may not reduce the  
2-3 percentage of revenue from the tax imposed under this chapter and  
2-4 allocated for a purpose described by Section 351.101(a)(3) to a  
2-5 percentage that is less than the average percentage of that revenue  
2-6 allocated by the municipality for that purpose during the 36-month  
2-7 period preceding the date the municipality begins using the revenue  
2-8 or funds for the hotel project. This subsection does not apply to  
2-9 an eligible central municipality described by Section  
2-10 351.001(7)(D).

2-11 (e) In addition to the municipalities described by  
2-12 Subsection (b), that subsection also applies to a municipality with  
2-13 a population of at least 9,000 but not more than 10,000 that is  
2-14 located in two counties, each of which has a population of at least  
2-15 662,000 and a southern border with a county with a population of 2.3  
2-16 million or more.

2-17 SECTION 2. This Act takes effect immediately if it receives  
2-18 a vote of two-thirds of all the members elected to each house, as  
2-19 provided by Section 39, Article III, Texas Constitution. If this  
2-20 Act does not receive the vote necessary for immediate effect, this  
2-21 Act takes effect September 1, 2017.

2-22

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