86R30641 SMT-F

By:  Taylor S.B. No. 1307

(Paul)

Substitute the following for S.B. No. 1307:

By:  Murphy C.S.S.B. No. 1307

A BILL TO BE ENTITLED

AN ACT

relating to the use of hotel occupancy tax revenue by certain municipalities and the authority of certain municipalities to pledge that revenue, and to receive and pledge certain other revenue, for the payment of obligations related to hotel projects.

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

SECTION 1.  Section 351.101, Tax Code, is amended by adding Subsection (r) to read as follows:

(r)  In addition to the purposes provided by Subsections (a) and (e), a municipality with a population of more than 10,000 that is wholly located in a county with a population of four million or more and that has a city hall located less than three miles from a space center operated by an agency of the federal government may use revenue from the municipal hotel occupancy tax for the construction, improvement, enlarging, equipping, renovating, repairing, operation, and maintenance of a venue that is related to the promotion of tourism, including a hotel, resort, or convention center facility located on land owned by the municipality or a nonprofit corporation acting on behalf of the municipality. Subject to Section 351.1069, the municipality may also use revenue from the municipal hotel occupancy tax for related infrastructure, as defined by Section 334.001, Local Government Code. In this subsection, "venue" means a venue described by Section 334.001(4)(A) or (B), Local Government Code.

SECTION 2.  Sections 351.102(b), (e), and (g), Tax Code, are amended 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, or a municipality described by Section 351.101(r) 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. A municipality with a population of 173,000 or more that is located within two or more counties may pledge for the payment of bonds or other obligations described by this subsection the revenue derived from the tax imposed under this chapter from a hotel project not owned by or located on land owned by the municipality if the project is located on land that is owned by the federal government and the project is located within 1,000 feet of a convention center facility owned by the municipality. For bonds or other obligations issued under this subsection, an eligible central municipality or a municipality described by this subsection or Subsection (e) may only pledge revenue or other assets of the hotel project benefiting from those bonds or other obligations.

(e)  In addition to the municipalities described by Subsection (b), that subsection also applies to:

(1)  a municipality with a population of at least 110,000 but not more than 135,000 at least part of which is located in a county with a population of not more than 135,000;

(2)  a municipality with a population of at least 9,000 but not more than 10,000 that is located in two counties, each of which has a population of at least 662,000 and a southern border with a county with a population of 2.3 million or more;

(3)  a municipality with a population of at least 200,000 but not more than 300,000 that contains a component institution of the Texas Tech University System;

(4)  a municipality with a population of at least 95,000 that borders Lake Lewisville;

(5)  a municipality that:

(A)  contains a portion of Cedar Hill State Park;

(B)  has a population of more than 45,000;

(C)  is located in two counties, one of which has a population of more than two million and one of which has a population of more than 149,000; and

(D)  has adopted a capital improvement plan for the construction or expansion of a convention center facility;

(6)  a municipality with a population of less than 6,000 that:

(A)  is located in two counties each with a population of 600,000 or more that are both adjacent to a county with a population of two million or more;

(B)  has full-time police and fire departments; and

(C)  has adopted a capital improvement plan for the construction or expansion of a convention center facility;

(7)  a municipality with a population of at least 56,000 that:

(A)  borders Lake Ray Hubbard; and

(B)  is located in two counties, one of which has a population of less than 80,000;

(8)  a municipality with a population of more than 83,000, that borders Clear Lake, and that is primarily located in a county with a population of less than 300,000;

(9)  a municipality with a population of less than 2,000 that:

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

(B)  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

(C)  has a boardwalk on the bay;

(10)  a municipality with a population of 75,000 or more that:

(A)  is located wholly in one county with a population of 575,000 or more that is adjacent to a county with a population of four million or more; and

(B)  has adopted a capital improvement plan for the construction or expansion of a convention center facility;

(11)  a municipality with a population of less than 75,000 that is located in three counties, at least one of which has a population of at least four million; [~~and~~]

(12)  an eligible coastal municipality with a population of more than 3,000 but less than 5,000; and

(13)  a municipality that is:

(A)  primarily located in a county with a population of four million or more; and

(B)  connected by a bridge to a municipality described by Subdivision (9).

(g)  A municipality to which this section applies may not receive or pledge revenue or funds under Subsection (b) or (c) for a hotel project unless the municipality enters into an agreement with a person for the development of the hotel project before September 1, 2021 [~~2019~~].

SECTION 3.  Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1069 to read as follows:

Sec. 351.1069.  ALLOCATION OF REVENUE FOR CERTAIN VENUE-RELATED INFRASTRUCTURE. (a) In this section:

(1)  "Ancillary infrastructure" means related infrastructure that:

(A)  is located off the venue site; and

(B)  is not for the exclusive use of the venue.

(2)  "Related infrastructure" has the meaning assigned by Section 334.001, Local Government Code.

(3)  "Venue" means a venue described by Section 334.001(4)(A) or (B), Local Government Code, and any related infrastructure other than ancillary infrastructure.

(4)  "Venue-related hotel revenue" means the amount of hotel revenue generated by hotel activity attributable to a venue.

(b)  A municipality described by Section 351.101(r) that uses revenue derived from the municipal hotel occupancy tax for ancillary infrastructure:

(1)  shall determine the amount of venue-related hotel revenue generated during the five-year period following the date the municipality issues a certificate of occupancy to the venue to which the revenue is attributable; and

(2)  may not spend municipal hotel occupancy tax revenue for ancillary infrastructure in a total amount that exceeds the amount determined under Subdivision (1).

(c)  A municipality described by Section 351.101(r) shall reimburse the municipality's hotel occupancy tax revenue fund from another available source for the amount by which the expenditures described by Subsection (b)(2) exceed the venue-related hotel revenue determined under Subsection (b)(1).

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.