86R13562 SMT-F

By:  Miles S.B. No. 2249

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain municipalities to create sports and community venue districts and to authorize and finance certain sports and community venue projects; authorizing a tax.

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

SECTION 1.  Section 334.001(4), Local Government Code, is amended to read as follows:

(4)  "Venue" means:

(A)  an arena, coliseum, stadium, or other type of area or facility:

(i)  that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including rodeos, livestock shows, agricultural expositions, promotional events, and other civic or charitable events, provided that a facility financed wholly or partly with revenue from a tax imposed under Subchapter H is not, or will not be, primarily used for community, civic, and charitable events that are attended only by residents of the community; and

(ii)  for which a fee for admission to the events is charged or is planned to be charged;

(B)  a convention center, a convention center facility as defined by Section 351.001(2) or 352.001(2), Tax Code, or a related improvement such as a civic center hotel, theater, opera house, music hall, rehearsal hall, park, zoological park, museum, aquarium, or plaza located in the vicinity of a convention center or facility owned by a municipality or a county, provided that a related improvement for a facility financed wholly or partly with revenue from a tax imposed under Subchapter H must be in the vicinity of the convention center;

(C)  a tourist development area;

(D)  a municipal parks and recreation system, or improvements or additions to a parks and recreation system, or an area or facility, including an area or facility for active transportation use, that is part of a municipal parks and recreation system;

(E)  a project authorized by Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), as that Act existed on September 1, 1997;

(F)  a watershed protection and preservation project; a recharge, recharge area, or recharge feature protection project; a conservation easement; or an open-space preservation program intended to protect water; [~~and~~]

(G)  an airport facility located in a municipality located on the international border; and

(H)  in a municipality with a population of more than 1.9 million:

(i)  a facility described by Paragraph (B); and

(ii)  an adjacent park and green space project, including one or more outdoor arenas, pavilions, recreational space, and other commercial or public uses in addition to existing park facilities that:

(a)  is located between two convention center hotels; and

(b)  is operated and managed by a local government corporation created by the municipality before 2009.

SECTION 2.  Section 334.1015, Local Government Code, is amended to read as follows:

Sec. 334.1015.  APPLICATION. (a) Except as provided by Subsections [~~Subsection~~] (b) and (c), this subchapter does not apply to the financing of a venue project that is an area or facility that is part of a municipal parks and recreation system.

(b)  A municipality located on the international border may finance a venue project described by Section 334.001(4)(D) with the revenue from a tax imposed under this subchapter.

(c)  A municipality that finances a venue project described by Section 334.001(4)(H) with the revenue from a mixed beverage gross receipts tax imposed under Subchapter L may also finance the venue project with the revenue from a tax imposed under this subchapter.

SECTION 3.  Section 334.2515, Local Government Code, is amended to read as follows:

Sec. 334.2515.  APPLICATION. Except as provided by Sections [~~Section~~] 334.2516 and 334.2518, this subchapter does not apply to the financing of a venue project that is:

(1)  an area described by Section 334.001(4)(C);

(2)  an area or facility that is part of a municipal parks and recreation system as described by Section 334.001(4)(D);

(3)  a project described by Section 334.001(4)(E), except for a project described by Section 334.001(4)(A); or

(4)  a facility described by Section 334.001(4)(G).

SECTION 4.  Subchapter H, Chapter 334, Local Government Code, is amended by adding Section 334.2518 to read as follows:

Sec. 334.2518.  USE OF REVENUE BY CERTAIN MUNICIPALITIES FOR PARKS IN THE VICINITY OF CONVENTION CENTERS. A municipality that finances a venue project described by Section 334.001(4)(H) with the revenue from a mixed beverage gross receipts tax imposed under Subchapter L may also finance the venue project with the revenue from a tax imposed under this subchapter.

SECTION 5.  Chapter 334, Local Government Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. MIXED BEVERAGE GROSS RECEIPTS TAX IN CERTAIN MUNICIPALITIES

Sec. 334.451.  DEFINITIONS. (a) In this subchapter, "permittee" means a permittee as defined by Section 183.001, Tax Code, that is located in a municipality to which this subchapter applies.

(b)  Except as provided by this subchapter, words and phrases used in this subchapter that are defined by Chapter 183, Tax Code, have the meanings assigned by Chapter 183, Tax Code.

Sec. 334.452.  APPLICATION TO CERTAIN MUNICIPALITIES. This subchapter applies only to a municipality with a population of 1.9 million or more that creates a venue district under Chapter 335.

Sec. 334.453.  TAX CODE APPLICABLE. (a) Except as inconsistent with this subchapter, Subchapters A, B, and C, Chapter 183, Tax Code, govern the imposition, computation, administration, collection, and remittance of a tax under this subchapter.

(b)  The tax imposed by this subchapter is in addition to the taxes imposed under Subchapter B, Chapter 183, Tax Code.

Sec. 334.454.  TAX AUTHORIZED. A municipality by ordinance may impose a tax on the gross receipts of a permittee received from the sale, preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold, prepared, or served for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the permittee if:

(1)  a venue project is or is planned to be located in the municipality; and

(2)  the tax is approved at an election held under Section 334.024.

Sec. 334.455.  TAX RATE. The rate of a tax adopted by a municipality under this subchapter may not exceed the lesser of:

(1)  two percent of the gross receipts of a permittee; or

(2)  the rate approved at an election held under Section 334.024.

Sec. 334.456.  RATE INCREASE. (a) A municipality that adopts a tax under this subchapter at the rate of less than two percent may by ordinance increase the rate of the tax to a rate not to exceed two percent if the increase is approved by a majority of the registered voters voting at an election called for that purpose.

(b)  The ballot for an election to increase the rate of the tax shall be printed to permit voting for or against the proposition: "The increase of the mixed beverage gross receipts tax for the purpose of financing (insert description of venue project) to a maximum rate of (insert tax rate) percent of the gross receipts of a permittee received from the sale, preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold, prepared, or served for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the permittee (insert new maximum rate not to exceed two percent of the described gross receipts)."

Sec. 334.457.  EFFECTIVE DATE OF TAX. (a) The imposition of a tax or a change in the tax rate under this subchapter takes effect on the date prescribed by the ordinance imposing the tax or changing the rate.

(b)  A municipality may impose a tax under this subchapter only if:

(1)  the municipality has outstanding bonds or other obligations issued under Section 334.043 that are secured wholly or partly by revenue from the tax; or

(2)  revenue from the tax is being used to operate or maintain the venue.

Sec. 334.458.  DEPOSIT OF TAX REVENUE. Revenue from the tax imposed under this subchapter shall be deposited in the venue project fund of the municipality imposing the tax.

SECTION 6.  Section 335.021, Local Government Code, is amended to read as follows:

Sec. 335.021.  CREATION. A county and a municipality, two or more counties, two or more municipalities, [~~or~~] a combination of municipalities, counties, or municipalities and counties, or a municipality with a population of more than 1.9 million may create a venue district under this chapter to plan, acquire, establish, develop, construct, or renovate one or more venue projects in the district subject to voter approval under Subchapter D.

SECTION 7.  Section 335.022, Local Government Code, is amended to read as follows:

Sec. 335.022.  ORDER CREATING DISTRICT. (a) A county and a municipality, two or more counties, two or more municipalities, or a combination of municipalities, counties, or municipalities and counties may create a district under this chapter by adopting concurrent orders. A concurrent order must:

(1)  contain identical provisions;

(2)  define the boundaries of the district to be coextensive with the combined boundaries of each creating political subdivision; and

(3)  designate the number of directors, the manner of appointment, and the manner in which the chair will be appointed in accordance with Section 335.031.

(b)  A municipality with a population of 1.9 million or more may create a venue district under this chapter by ordinance. The ordinance must:

(1)  define the boundaries of the district to be coextensive with the boundaries of the creating municipality; and

(2)  designate the number of directors, the manner of appointment, and the manner in which the chair will be appointed in accordance with Section 335.031.

SECTION 8.  Section 335.031(b), Local Government Code, is amended to read as follows:

(b)  The board is appointed by the mayors or county judges, or both as appropriate, of the political subdivisions that create the district in accordance with the concurrent order. In a district created under Section 335.022(b), the mayor of the municipality may appoint the board in accordance with the ordinance creating the district.

SECTION 9.  Section 335.035(a), Local Government Code, is amended to read as follows:

(a)  This section applies only to the board of a district located in whole or in part in a county with a population of 3.3 million or more other than a board created under Section 335.022(b).

SECTION 10.  Section 335.054(a), Local Government Code, is amended to read as follows:

(a)  If the comptroller determines under Section 335.052 or 335.053 that implementation of the resolution will not have a significant negative fiscal impact on state revenue, and, if applicable, the rapid transit authority determines under Section 335.0535 or 335.0536 that the implementation will not have a significant impact on the authority's ability to provide service and will not impair any existing contracts, the board may order an election or elections on the question of approving and implementing the resolution. In a district created by both a county with a population of more than 3.3 million and a municipality with a population of more than 1.9 million, the board may order one district-wide election or may order a separate election in each political subdivision that created the district. The election or elections shall be held on the same day.

SECTION 11.  Section 183.051, Tax Code, is amended by adding Subsections (c) and (d) to read as follows:

(c)  Not later than the last day of the month following a calendar quarter, the comptroller shall calculate the total amount of taxes received under Subchapter L, Chapter 334, Local Government Code, during the quarter from permittees within each venue district created under Chapter 335, Local Government Code, authorized to impose the tax under that subchapter.

(d)  The comptroller shall transfer from the general revenue fund to each venue district described by Subsection (c) an amount equal to 100 percent of the taxes received under Subchapter L, Chapter 334, Local Government Code, from permittees within the venue district during the quarter for deposit into the district's venue project fund.

SECTION 12.  This Act takes effect September 1, 2019.