

By: Krause

H.B. No. 2407

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a municipality to pledge certain tax revenue for the payment of obligations related to hotel projects.

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

SECTION 1. Section 351.102, Tax Code, is amended by adding Subsection (c-2) to read as follows:

(c-2) A municipality to which this subsection applies is eligible to receive all funds from a hotel project described by Subsection (b) that an owner of a project may receive under Section 151.429(h) of this code or Section 2303.5055, Government Code, and all tax revenue collected under Chapter 183 by or from all permittees at the hotel project, excluding revenue disbursed by the comptroller under Section 183.051(b). The municipality may pledge those funds for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, improve, enlarge, and equip the hotel project. Notwithstanding any other law, the municipality is entitled to receive the funds for a period of 30 years beginning on the date the hotel project is open for initial occupancy. The comptroller shall deposit the funds in a separate suspense account of the municipality outside the state treasury. The comptroller may make a rebate, refund, or payment authorized under this subsection without the necessity of an appropriation. The comptroller shall rebate, refund, or pay to the municipality the funds to which the municipality is entitled under this subsection

1 at least monthly. This subsection applies only to a municipality:

2 (1) that is an eligible central municipality under  
3 Section 351.001(7)(A) with a population of less than 400,000; and

4 (2) in which two professional sports stadiums are  
5 located, each with a seating capacity of at least 40,000 people.

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, 2019.