

By: Flynn

H.B. No. 2665

Substitute the following for H.B. No. 2665:

By: Blanco

C.S.H.B. No. 2665

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain municipalities to receive certain tax revenue or pledge that revenue for the payment of obligations related to projects involving hotels.

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

SECTION 1. Section 351.102(e), Tax Code, is amended to read as follows:

(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;

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

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

6 (6) a municipality with a population of less than
7 6,000 that:

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

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

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

15 (7) a municipality with a population of at least
16 56,000 that:

17 (A) borders Lake Ray Hubbard; and

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

20 (8) a municipality with a population of more than
21 83,000, that borders Clear Lake, and that is primarily located in a
22 county with a population of less than 300,000;

23 (9) a municipality with a population of less than
24 2,000 that:

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

27 (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;

(13) a municipality with a population of less than 10,000 that:

(A) contains a component university of The Texas A&M University System; and

(B) is located in a county adjacent to a county that borders Oklahoma;

(14) a municipality with a population of 13,000 or more that:

(A) is located on an international border; and

(B) is located in a county:

(i) with a population of less than 400,000;

and

1 (ii) in which is located at least one World
2 Birding Center site;

3 (15) a municipality with a population of 4,000 or more
4 that:

5 (A) is located on an international border; and

6 (B) is located not more than five miles from a
7 state historic site that serves as a visitor center for a state park
8 that contains 300,000 or more acres of land;

9 (16) a municipality with a population of 90,000 or
10 more but less than 150,000 that:

11 (A) is located in three counties; and

12 (B) contains a branch campus of a component
13 institution of the University of Houston System;

14 (17) a municipality that is:

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

17 (B) connected by a bridge to a municipality
18 described by Subdivision (9);

19 (18) a municipality with a population of 20,000 or
20 more but less than 25,000 that:

21 (A) contains a portion of Mustang Bayou; and

22 (B) is wholly located in a county with a
23 population of less than 500,000;

24 (19) a municipality with a population of 70,000 or
25 more but less than 85,000 that is located in two counties, one of
26 which has a population of four million or more and the other of
27 which has a population of less than 50,000;

1 (20) a municipality with a population of 10,000 or
2 more that:

3 (A) is wholly located in a county with a
4 population of four million or more; and

5 (B) has a city hall located less than three miles
6 from a space center operated by an agency of the federal government;

7 (21) a municipality that is the county seat of a
8 county:

9 (A) through which the Pedernales River flows; and

10 (B) in which the birthplace of a president of the
11 United States is located;

12 (22) a municipality that contains a portion of U.S.
13 Highway 79 and State Highway 130;

14 (23) a municipality with a population of 48,000 or
15 more but less than 95,000 that is located in two counties, one of
16 which has a population of 900,000 or more but less than 1.7 million;

17 (24) a municipality with a population of less than
18 25,000 that contains a museum of western American art;

19 (25) a municipality with a population of 50,000 or
20 more that is the county seat of a county that contains a portion of
21 the Sam Houston National Forest;

22 (26) a municipality with a population of less than
23 25,000 that:

24 (A) contains a cultural heritage museum; and

25 (B) is located in a county that borders the
26 United Mexican States and the Gulf of Mexico;

27 (27) a municipality that is the county seat of a county

1 that:

2 (A) has a population of 115,000 or more;

3 (B) is adjacent to a county with a population of
4 1.8 million or more; and

5 (C) hosts an annual peach festival;

6 (28) a municipality that is the county seat of a county
7 that:

8 (A) has a population of 585,000 or more; and

9 (B) is adjacent to a county with a population of
10 four million or more; and

11 (29) a municipality with a population of less than
12 6,100 that:

13 (A) is located in two counties, each of which has
14 a population of 600,000 or more but less than two million; and

15 (B) hosts an annual Cajun Festival.

16 SECTION 2. Subchapter B, Chapter 351, Tax Code, is amended
17 by adding Section 351.1021 to read as follows:

18 Sec. 351.1021. PLEDGE FOR BONDS BY CERTAIN MUNICIPALITIES.

19 (a) In this section:

20 (1) "Eligible municipality" means a municipality
21 described by Section 351.102(e)(9).

22 (2) "Multipurpose convention center facility" means a
23 facility that has been or will be constructed and that:

24 (A) is used to host conventions, meetings, live
25 performances, and sporting events;

26 (B) is:

27 (i) leased by an eligible municipality; or

1 (ii) wholly owned by an eligible
2 municipality, and none of which is or may be owned through an
3 undivided common interest;

4 (C) is not located in a hotel or other structure;

5 (D) has at least 10,000 square feet of continuous
6 and usable meeting space; and

7 (E) is configurable to simultaneously
8 accommodate multiple events described by Paragraph (A) of different
9 sizes and types.

10 (3) "Multipurpose convention center facility project"
11 means a project that consists of a hotel owned by an eligible
12 municipality or another person and a multipurpose convention center
13 facility to be acquired, constructed, equipped, or leased by the
14 municipality, the nearest exterior wall of which is located not
15 more than 2,500 feet from the nearest exterior wall of the hotel. A
16 multipurpose convention center facility project may include:

17 (A) each new or existing business located in the
18 municipality, regardless of who owns the business or the property
19 on which the business is located, the nearest exterior wall of which
20 is located not more than 2,500 feet from the nearest exterior wall
21 of the multipurpose convention center facility or the hotel that is
22 part of the project; and

23 (B) any parking area or structure located in the
24 municipality, regardless of who owns the area or structure or the
25 property on which the area or structure is located, the nearest
26 property line of which is located not more than two miles from the
27 nearest exterior wall of the multipurpose convention center

1 facility.

2 (b) An eligible municipality or local government
3 corporation acting on behalf of an eligible municipality is
4 entitled to receive all funds from a multipurpose convention center
5 facility project that the owner of a project could receive under
6 Section 151.429(h) of this code or Section 2303.5055, Government
7 Code, if a project for purposes of those provisions included a
8 multipurpose convention center facility project.

9 (c) An eligible municipality may pledge the funds to which
10 the municipality is entitled as provided by Subsection (b) for the
11 payment of bonds or other obligations issued or incurred to
12 acquire, lease, construct, or equip the multipurpose convention
13 center facility project.

14 (d) The comptroller shall deposit the funds to which an
15 eligible municipality is entitled as provided by Subsection (b) in
16 a separate suspense account of the municipality outside the state
17 treasury.

18 (e) The comptroller may make a rebate, refund, or payment
19 authorized under this section without the necessity of an
20 appropriation. The comptroller shall rebate, refund, or pay to the
21 eligible municipality the funds to which the municipality is
22 entitled as provided by Subsection (b) at least quarterly.

23 SECTION 3. Subchapter B, Chapter 351, Tax Code, is amended
24 by adding Section 351.1022 to read as follows:

25 Sec. 351.1022. PLEDGE FOR BONDS BY CERTAIN MUNICIPALITIES
26 WITH SPORTS STADIUMS. (a) This section applies only to a
27 municipality with a population of 350,000 or more but less than

450,000 in which two professional sports stadiums are located, each of which:

(A) has a seating capacity of at least 40,000 people; and

(B) was approved by the voters of the municipality as a sports and community venue project under Chapter 334, Local Government Code.

(b) A municipality to which this section applies is entitled to receive all funds from a hotel project described by Section 351.102(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).

(c) The municipality may pledge the funds to which the municipality is entitled as provided by Subsection (b) for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, improve, enlarge, and equip the hotel project.

(d) 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.

(e) The comptroller shall deposit the funds to which the municipality is entitled as provided by Subsection (b) in a separate suspense account of the municipality outside the state treasury.

(f) The comptroller may make a rebate, refund, or payment

1 authorized under this section without the necessity of an
2 appropriation. The comptroller shall rebate, refund, or pay to the
3 municipality the funds to which the municipality is entitled as
4 provided by Subsection (b) at least monthly.

5 SECTION 4. Section 351.102(g), Tax Code, is repealed.

6 SECTION 5. 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.