

By: Taylor
(Paul)

S.B. No. 1307

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

By: Murphy

C.S.S.B. No. 1307

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the use of hotel occupancy tax revenue by certain
3 municipalities and the authority of certain municipalities to
4 pledge that revenue, and to receive and pledge certain other
5 revenue, for the payment of obligations related to hotel projects.

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

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

9 (r) In addition to the purposes provided by Subsections (a)
10 and (e), a municipality with a population of more than 10,000 that
11 is wholly located in a county with a population of four million or
12 more and that has a city hall located less than three miles from a
13 space center operated by an agency of the federal government may use
14 revenue from the municipal hotel occupancy tax for the
15 construction, improvement, enlarging, equipping, renovating,
16 repairing, operation, and maintenance of a venue that is related to
17 the promotion of tourism, including a hotel, resort, or convention
18 center facility located on land owned by the municipality or a
19 nonprofit corporation acting on behalf of the municipality.
20 Subject to Section 351.1069, the municipality may also use revenue
21 from the municipal hotel occupancy tax for related infrastructure,
22 as defined by Section 334.001, Local Government Code. In this
23 subsection, "venue" means a venue described by Section
24 334.001(4)(A) or (B), Local Government Code.

1 SECTION 2. Sections 351.102(b), (e), and (g), Tax Code, are
2 amended to read as follows:

3 (b) An eligible central municipality, a municipality with a
4 population of 173,000 or more that is located within two or more
5 counties, a municipality with a population of 96,000 or more that is
6 located in a county that borders Lake Palestine or contains the
7 headwaters of the San Gabriel River, ~~or~~ a municipality with a
8 population of at least 99,900 but not more than 111,000 that is
9 located in a county with a population of at least 135,000, or a
10 municipality described by Section 351.101(r) may pledge the revenue
11 derived from the tax imposed under this chapter from a hotel project
12 that is owned by or located on land owned by the municipality or, in
13 an eligible central municipality, by a nonprofit corporation acting
14 on behalf of an eligible central municipality, and that is located
15 within 1,000 feet of a convention center facility owned by the
16 municipality for the payment of bonds or other obligations issued
17 or incurred to acquire, lease, construct, and equip the hotel and
18 any facilities ancillary to the hotel, including convention center
19 entertainment-related facilities, meeting spaces, restaurants,
20 shops, street and water and sewer infrastructure necessary for the
21 operation of the hotel or ancillary facilities, and parking
22 facilities within 1,000 feet of the hotel or convention center
23 facility. A municipality with a population of 173,000 or more that
24 is located within two or more counties may pledge for the payment of
25 bonds or other obligations described by this subsection the revenue
26 derived from the tax imposed under this chapter from a hotel project
27 not owned by or located on land owned by the municipality if the

1 project is located on land that is owned by the federal government
2 and the project is located within 1,000 feet of a convention center
3 facility owned by the municipality. For bonds or other obligations
4 issued under this subsection, an eligible central municipality or a
5 municipality described by this subsection or Subsection (e) may
6 only pledge revenue or other assets of the hotel project benefiting
7 from those bonds or other obligations.

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

10 (1) a municipality with a population of at least
11 110,000 but not more than 135,000 at least part of which is located
12 in a county with a population of not more than 135,000;

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

17 (3) a municipality with a population of at least
18 200,000 but not more than 300,000 that contains a component
19 institution of the Texas Tech University System;

20 (4) a municipality with a population of at least
21 95,000 that borders Lake Lewisville;

22 (5) a municipality that:

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

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

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

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

3 (6) a municipality with a population of less than
4 6,000 that:

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

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

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

12 (7) a municipality with a population of at least
13 56,000 that:

14 (A) borders Lake Ray Hubbard; and

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

17 (8) a municipality with a population of more than
18 83,000, that borders Clear Lake, and that is primarily located in a
19 county with a population of less than 300,000;

20 (9) a municipality with a population of less than
21 2,000 that:

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

24 (B) is located in a county with a population of
25 290,000 or more that is adjacent to a county with a population of
26 four million or more; and

27 (C) has a boardwalk on the bay;

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

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

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

8 (11) a municipality with a population of less than
9 75,000 that is located in three counties, at least one of which has
10 a population of at least four million; ~~and~~

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

13 (13) a municipality that is:

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

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

18 (g) A municipality to which this section applies may not
19 receive or pledge revenue or funds under Subsection (b) or (c) for a
20 hotel project unless the municipality enters into an agreement with
21 a person for the development of the hotel project before September
22 1, 2021 [~~2019~~].

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

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

27 (1) "Ancillary infrastructure" means related

1 infrastructure that:

2 (A) is located off the venue site; and

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

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

6 (3) "Venue" means a venue described by Section
7 334.001(4)(A) or (B), Local Government Code, and any related
8 infrastructure other than ancillary infrastructure.

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

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

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

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

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

26 SECTION 4. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2019.