

By: Miles

S.B. No. 2249

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the authority of certain municipalities to create  
3 sports and community venue districts and to authorize and finance  
4 certain sports and community venue projects; authorizing a tax.

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

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

8 (4) "Venue" means:

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

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

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

21 (B) a convention center, a convention center  
22 facility as defined by Section 351.001(2) or 352.001(2), Tax Code,  
23 or a related improvement such as a civic center hotel, theater,  
24 opera house, music hall, rehearsal hall, park, zoological park,

1 museum, aquarium, or plaza located in the vicinity of a convention  
2 center or facility owned by a municipality or a county, provided  
3 that a related improvement for a facility financed wholly or partly  
4 with revenue from a tax imposed under Subchapter H must be in the  
5 vicinity of the convention center;

6 (C) a tourist development area;

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

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

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

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

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

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

25 (ii) an adjacent park and green space  
26 project, including one or more outdoor arenas, pavilions,  
27 recreational space, and other commercial or public uses in addition

1 to existing park facilities that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 SUBCHAPTER L. MIXED BEVERAGE GROSS RECEIPTS TAX IN CERTAIN  
15 MUNICIPALITIES

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

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

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

26 Sec. 334.453. TAX CODE APPLICABLE. (a) Except as  
27 inconsistent with this subchapter, Subchapters A, B, and C, Chapter

1 183, Tax Code, govern the imposition, computation, administration,  
2 collection, and remittance of a tax under this subchapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 15                   (1) contain identical provisions;
- 16                   (2) define the boundaries of the district to be  
17 coextensive with the combined boundaries of each creating political  
18 subdivision; and
- 19                   (3) designate the number of directors, the manner of  
20 appointment, and the manner in which the chair will be appointed in  
21 accordance with Section 335.031.

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

- 25                   (1) define the boundaries of the district to be  
26 coextensive with the boundaries of the creating municipality; and  
27                   (2) designate the number of directors, the manner of

1 appointment, and the manner in which the chair will be appointed in  
2 accordance with Section 335.031.

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

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

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

13 (a) This section applies only to the board of a district  
14 located in whole or in part in a county with a population of 3.3  
15 million or more other than a board created under Section  
16 335.022(b).

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

19 (a) If the comptroller determines under Section 335.052 or  
20 335.053 that implementation of the resolution will not have a  
21 significant negative fiscal impact on state revenue, and, if  
22 applicable, the rapid transit authority determines under Section  
23 335.0535 or 335.0536 that the implementation will not have a  
24 significant impact on the authority's ability to provide service  
25 and will not impair any existing contracts, the board may order an  
26 election or elections on the question of approving and implementing  
27 the resolution. In a district created by both a county with a

1 population of more than 3.3 million and a municipality with a  
2 population of more than 1.9 million, the board may order one  
3 district-wide election or may order a separate election in each  
4 political subdivision that created the district. The election or  
5 elections shall be held on the same day.

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

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

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

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