

By: Reynolds

H.B. No. 2690

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the authority of certain municipalities to receive  
3 certain tax revenue derived from a hotel and convention center  
4 project and related establishments and to pledge certain tax  
5 revenue for the payment of obligations related to the project.

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

7 SECTION 1. Section 351.152, Tax Code, is amended to read as  
8 follows:

9 Sec. 351.152. APPLICABILITY. (a) This subchapter applies  
10 only to:

11 (1) a municipality described by Section  
12 351.001(7)(B);

13 (2) a municipality described by Section  
14 351.001(7)(D);

15 (3) a municipality described by Section  
16 351.001(7)(E);

17 (4) a municipality described by Section  
18 351.102(e)(3);

19 (5) a municipality that contains more than 75 percent  
20 of the population of a county with a population of 1.5 million or  
21 more;

22 (6) a municipality with a population of 150,000 or  
23 more but less than 200,000 that is partially located in at least one  
24 county with a population of 125,000 or more;

1           (7) a municipality with a population of 150,000 or  
2 more but less than one million that is located in one county with a  
3 population of 2.3 million or more;

4           (8) a municipality with a population of 180,000 or  
5 more that:

6                 (A) is located in two counties, each with a  
7 population of 100,000 or more; and

8                 (B) contains an American Quarter Horse Hall of  
9 Fame and Museum;

10           (9) a municipality with a population of 96,000 or more  
11 that is located in a county that borders Lake Palestine;

12           (10) a municipality with a population of 96,000 or  
13 more that is located in a county that contains the headwaters of the  
14 San Gabriel River;

15           (11) a municipality with a population of 99,900 or  
16 more but less than 111,000 that is located in a county with a  
17 population of 135,000 or more;

18           (12) a municipality with a population of 110,000 or  
19 more but less than 135,000 at least part of which is located in a  
20 county with a population of less than 135,000;

21           (13) a municipality with a population of 9,000 or more  
22 but less than 10,000 that is located in two counties, each of which  
23 has a population of 662,000 or more and a southern border with a  
24 county with a population of 2.3 million or more;

25           (14) a municipality with a population of 200,000 or  
26 more but less than 300,000 that contains a component institution of  
27 the Texas Tech University System;

1           (15) a municipality with a population of 95,000 or  
2 more that:

3           (A) is located in more than one county; and

4           (B) borders Lake Lewisville;

5           (16) a municipality with a population of 45,000 or  
6 more that:

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

8           (B) is located in two counties, one of which has a  
9 population of two million or more and one of which has a population  
10 of 149,000 or more; and

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

13           (17) a municipality with a population of less than  
14 6,000 that:

15           (A) is almost wholly located in a county with a  
16 population of 600,000 or more that is adjacent to a county with a  
17 population of two million or more;

18           (B) is partially located in a county with a  
19 population of 1.8 million or more that is adjacent to a county with  
20 a population of two million or more;

21           (C) has a visitor center and museum located in a  
22 19th-century rock building in the municipality's downtown; and

23           (D) has a waterpark open to the public;

24           (18) a municipality with a population of 56,000 or  
25 more that:

26           (A) borders Lake Ray Hubbard; and

27           (B) is located in two counties, one of which has a

1 population of less than 80,000;

2 (19) a municipality with a population of 83,000 or  
3 more that:

4 (A) borders Clear Lake; and

5 (B) is primarily located in a county with a  
6 population of less than 300,000;

7 (20) a municipality with a population of less than  
8 2,000 that:

9 (A) is located adjacent to a bay connected to the  
10 Gulf of Mexico;

11 (B) is located in a county with a population of  
12 290,000 or more that is adjacent to a county with a population of  
13 four million or more; and

14 (C) has a boardwalk on the bay;

15 (21) a municipality with a population of 75,000 or  
16 more that:

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

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

22 (22) a municipality with a population of less than  
23 75,000 that is located in three counties, at least one of which has  
24 a population of four million or more;

25 (23) an eligible coastal municipality with a  
26 population of 3,000 or more but less than 5,000;

27 (24) a municipality with a population of 90,000 or

1 more but less than 150,000 that:

2 (A) is located in three counties; and

3 (B) contains a branch campus of a component  
4 institution of the University of Houston System;

5 (25) a municipality that is:

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

8 (B) connected by a bridge to a municipality  
9 described by Subdivision (20);

10 (26) a municipality with a population of 20,000 or  
11 more but less than 25,000 that:

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

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

15 (27) a municipality with a population of 70,000 or  
16 more but less than 90,000 that is located in two counties, one of  
17 which has a population of four million or more and the other of  
18 which has a population of less than 50,000;

19 (28) a municipality with a population of 10,000 or  
20 more that:

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

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

25 (29) a municipality that is the county seat of a  
26 county:

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

1 (B) in which the birthplace of a president of the  
2 United States is located;

3 (30) a municipality that contains a portion of U.S.  
4 Highway 79 and State Highway 130;

5 (31) a municipality with a population of 48,000 or  
6 more but less than 95,000 that is located in two counties, one of  
7 which has a population of 900,000 or more but less than 1.7 million;

8 (32) a municipality with a population of less than  
9 25,000 that contains a museum of Western American art;

10 (33) a municipality with a population of 50,000 or  
11 more that is the county seat of a county that contains a portion of  
12 the Sam Houston National Forest;

13 (34) a municipality with a population of less than  
14 25,000 that:

15 (A) contains a cultural heritage museum; and

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

18 (35) a municipality that is the county seat of a county  
19 that:

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

21 (B) is adjacent to a county with a population of  
22 1.8 million or more; and

23 (C) hosts an annual peach festival;

24 (36) a municipality that is the county seat of a county  
25 that:

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

27 (B) is adjacent to a county with a population of

1 four million or more;

2 (37) a municipality with a population of less than  
3 10,000 that:

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

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

8 (38) a municipality with a population of less than  
9 6,100 that:

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

12 (B) hosts an annual Cajun Festival;

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

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

16 (B) is located in a county:

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

18 and

19 (ii) in which at least one World Birding  
20 Center site is located;

21 (40) a municipality with a population of 4,000 or more  
22 that:

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

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

27 (41) a municipality with a population of 36,000 or

1 more that is adjacent to at least two municipalities described by  
2 Subdivision (15); and

3 (42) a municipality with a population of 28,000 or  
4 more in which is located a historic railroad depot and heritage  
5 center.

6 (b) In addition to the municipalities described by  
7 Subsection (a), this subchapter applies to a municipality that:

8 (1) has a population of more than 67,000; and

9 (2) is located in two counties with 90 percent of the  
10 municipality's territory located in a county with a population of  
11 at least 580,000, and the remaining territory located in a county  
12 with a population of at least four million.

13 SECTION 2. Section 351.153(a), Tax Code, is amended to read  
14 as follows:

15 (a) This section applies only to a municipality described by  
16 Section 351.152(a)(6) [~~351.152(6)~~] or (29).

17 SECTION 3. Sections 351.157(a), (b), and (c), Tax Code, are  
18 amended to read as follows:

19 (a) In this section, "qualified establishment" means an  
20 establishment:

21 (1) that is located on land:

22 (A) owned by a municipality; or

23 (B) owned by any person if the establishment is  
24 located in a municipality described by Section 351.152(a)(3)  
25 [~~351.152(3)~~];

26 (2) the nearest exterior wall of which is located not  
27 more than 1,000 feet from the nearest exterior wall of a qualified



1 hotel or qualified convention center facility;

2 (3) that is constructed:

3 (A) on or after the date the municipality  
4 commences a qualified project under this subchapter; or

5 (B) at any time if the establishment is located  
6 in a municipality described by Section 351.152(a)(3) [~~351.152(3)~~];

7 (4) that is not a sports stadium; and

8 (5) that is the type of establishment described by  
9 Subsection (c) from which the municipality is entitled to receive  
10 revenue under Subsection (d).

11 (b) This section applies only to:

12 (1) a municipality described by Section 351.152(a)(3)  
13 [~~351.152(3)~~];

14 (2) a municipality described by Section 351.152(a)(6)  
15 [~~351.152(6)~~];

16 (3) a municipality described by Section 351.152(a)(7)  
17 [~~351.152(7)~~];

18 (4) a municipality described by Section  
19 351.152(a)(10) [~~351.152(10)~~];

20 (5) a municipality described by Section  
21 351.152(a)(16) [~~351.152(16)~~];

22 (6) a municipality described by Section  
23 351.152(a)(22) [~~351.152(22)~~];

24 (7) a municipality described by Section  
25 351.152(a)(25) [~~351.152(25)~~];

26 (8) a municipality described by Section  
27 351.152(a)(34) [~~351.152(34)~~];

- 1           (9) a municipality described by Section  
2 351.152(a)(35) [~~351.152(35)~~];  
3           (10) a municipality described by Section  
4 351.152(a)(36) [~~351.152(36)~~]; ~~and~~  
5           (11) a municipality described by Section  
6 351.152(a)(38) [~~351.152(38)~~]; and  
7           (12) a municipality described by Section 351.152(b).

8           (c) A municipality is entitled to receive revenue under  
9 Subsection (d) derived from the following types of establishments  
10 that meet the requirements of Subsections (a)(1), (2), (3), and  
11 (4):

- 12           (1) for a municipality described by Subsection (b)(1):  
13               (A) restaurants, bars, and retail  
14 establishments; and  
15               (B) swimming pools and swimming facilities owned  
16 or operated by the related qualified hotel;  
17           (2) for a municipality described by Subsection (b)(2),  
18 restaurants, bars, and retail establishments;  
19           (3) for a municipality described by Subsection (b)(3),  
20 restaurants, bars, and retail establishments;  
21           (4) for a municipality described by Subsection (b)(4):  
22               (A) restaurants, bars, and retail  
23 establishments; and  
24               (B) swimming pools and swimming facilities owned  
25 or operated by the related qualified hotel;  
26           (5) for a municipality described by Subsection (b)(5),  
27 restaurants, bars, and retail establishments;

1           (6) for a municipality described by Subsection (b)(6),  
2 restaurants, bars, and retail establishments;

3           (7) for a municipality described by Subsection (b)(7),  
4 restaurants, bars, and retail establishments;

5           (8) for a municipality described by Subsection (b)(8),  
6 restaurants, bars, and retail establishments;

7           (9) for a municipality described by Subsection (b)(9),  
8 restaurants, bars, and retail establishments;

9           (10) for a municipality described by Subsection  
10 (b)(10):

11                   (A) restaurants, bars, and retail  
12 establishments; and

13                   (B) swimming pools and swimming facilities owned  
14 or operated by the related qualified hotel; ~~and~~

15           (11) for a municipality described by Subsection  
16 (b)(11):

17                   (A) restaurants, bars, and retail  
18 establishments; and

19                   (B) swimming pools and swimming facilities owned  
20 or operated by the related qualified hotel; and

21           (12) for a municipality described by Subsection  
22 (b)(12), restaurants, bars, and retail establishments.

23           SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2021.