88R3827 CJD-F

By:  Menéndez S.B. No. 627

A BILL TO BE ENTITLED

AN ACT

relating to the entitlement of certain municipalities to certain tax revenue related to a hotel and convention center project.

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

SECTION 1.  Section 351.153(a), Tax Code, is amended to read as follows:

(a)  This section applies only to a municipality described by Section 351.152(5), (6), [~~351.152(6)~~] or (29).

SECTION 2.  Section 351.156, Tax Code, is amended to read as follows:

Sec. 351.156.  ENTITLEMENT TO CERTAIN TAX REVENUE. (a) For purposes of this section, a restaurant, bar, or retail establishment is connected to a qualified hotel or a related qualified convention center facility if the restaurant, bar, or retail establishment:

(1)  shares an adjoining wall or roofline with the qualified hotel or the related qualified convention center facility;

(2)  is joined with the qualified hotel or the related qualified convention center facility by an intervening structure with walls or a ceiling that allows for passage between buildings; or

(3)  is located on a plot of land that:

(A)  shares a property boundary line with the plot of land on which the qualified hotel or the related qualified convention center facility is located; and

(B)  is developed as part of a qualified project of which the qualified hotel and the related qualified convention center facility are a part.

(b)  Subject to Sections 351.155(e) and 351.158, a municipality is entitled to receive the revenue derived from the following taxes generated, paid, and collected by a qualified hotel, and each restaurant, bar, and retail establishment located in or connected to the hotel or the related qualified convention center facility, that is located in the municipality:

(1)  the sales and use tax imposed under Chapter 151;

(2)  the hotel occupancy tax imposed under Chapter 156; and

(3)  if a political subdivision that is entitled to receive the revenue from the tax agrees in writing to the municipality receiving that revenue:

(A)  the sales and use tax imposed by the political subdivision under Chapter 322 or 323;

(B)  the hotel occupancy tax imposed by the political subdivision under Chapter 352; and

(C)  the mixed beverage tax issued under Section 183.051.

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

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

(1)  that is located on land:

(A)  owned by a municipality; or

(B)  owned by:

(i)  any person if the establishment is located in a municipality described by Section 351.152(3) or (5); or

(ii) [~~owned by~~] the federal government if the establishment is located in a municipality described by Section 351.152(6);

(2)  the nearest exterior wall of which is located not more than 1,000 feet from the nearest exterior wall of a qualified hotel or qualified convention center facility;

(3)  that is constructed:

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

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

(4)  that is not a sports stadium; and

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

(b)  This section applies only to:

(1)  a municipality described by Section 351.152(3);

(1-a)  a municipality described by Section 351.152(5);

(2)  a municipality described by Section 351.152(6);

(3)  a municipality described by Section 351.152(7);

(4)  a municipality described by Section 351.152(10);

(4-a)  a municipality described by Section 351.152(14);

(5)  a municipality described by Section 351.152(16);

(6)  a municipality described by Section 351.152(22);

(7)  a municipality described by Section 351.152(25);

(8)  a municipality described by Section 351.152(34);

(9)  a municipality described by Section 351.152(35);

(10)  a municipality described by Section 351.152(36);

(11)  a municipality described by Section 351.152(38); and

(12)  a municipality described by Section 351.152(43).

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

(1)  for a municipality described by Subsection (b)(1):

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

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

(1-a)  for a municipality described by Subsection (b)(1-a):

(A)  restaurants, bars, spas, and retail establishments; and

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

(2)  for a municipality described by Subsection (b)(2), swimming pools and swimming facilities, restaurants, bars, and retail establishments;

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

(4)  for a municipality described by Subsection (b)(4):

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

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

(4-a)  for a municipality described by Subsection (b)(4-a):

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

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

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

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

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

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

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

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

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

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

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

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

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

(12)  for a municipality described by Subsection (b)(12):

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

(B)  swimming pools and swimming facilities owned or operated by the related qualified hotel.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.