

By: Leach

H.B. No. 3066

A BILL TO BE ENTITLED

AN ACT

relating to the entitlement of certain municipalities to certain tax revenue associated with hotel and convention center projects.

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

SECTION 1. Section 351.158, Tax Code, is amended to read as follows:

Sec. 351.158. PERIOD OF ENTITLEMENT. (a) Except as provided by Subsection (b), a [A] municipality is entitled to receive revenue as provided by Sections 351.156 and 351.157 until the 10th anniversary of the date the qualified hotel to which the entitlement relates is open for initial occupancy.

(b) A municipality described by Section 351.152(46) is entitled to receive revenue as provided by Sections 351.156 and 351.157 until the 20th anniversary of the date the qualified hotel to which the entitlement relates is open for initial occupancy.

SECTION 2. Section 351.162, Tax Code, is amended by amending Subsections (b) and (c) and adding Subsection (b-1) to read as follows:

(b) Except as provided by Subsection (b-1), on ~~On~~ the 20th anniversary of the date a hotel designated as a qualified hotel by a municipality as part of a qualified project to which this section applies is open for initial occupancy, the comptroller shall determine:

(1) the total amount of state tax revenue received

1 under Section 351.156 and, if applicable, under Section 351.157 by
2 the municipality from the qualified project during the period for
3 which the municipality was entitled to receive that revenue; and

4 (2) the total amount of state tax revenue described by
5 Subdivision (1) received by the state during the period beginning
6 on the 10th anniversary of the date the qualified hotel opened for
7 initial occupancy and ending on the 20th anniversary of that date
8 from the same sources from which the municipality received the
9 revenue described by Subdivision (1).

10 (b-1) On the 40th anniversary of the date a hotel designated
11 as a qualified hotel by a municipality described by Section
12 351.152(46) as part of a qualified project to which this section
13 applies is open for initial occupancy, the comptroller shall
14 determine:

15 (1) the total amount of state tax revenue received
16 under Section 351.156 and, if applicable, under Section 351.157 by
17 the municipality from the qualified project during the period for
18 which the municipality was entitled to receive that revenue; and

19 (2) the total amount of state tax revenue described by
20 Subdivision (1) received by the state during the period beginning
21 on the 20th anniversary of the date the qualified hotel opened for
22 initial occupancy and ending on the 40th anniversary of that date
23 from the same sources from which the municipality received the
24 revenue described by Subdivision (1).

25 (c) If the amount determined under Subsection (b)(1) or
26 (b-1)(1), as applicable, exceeds the amount determined under
27 Subsection (b)(2) or (b-1)(2), as applicable, the comptroller shall

1 promptly provide written notice to the municipality stating that
2 the municipality must remit to the comptroller the difference
3 between those two amounts in the manner provided by this
4 subsection. The municipality shall, using money lawfully available
5 to the municipality for the purpose, remit monthly payments to the
6 comptroller in an amount equal to the total amount of municipal
7 hotel occupancy tax revenue received by the municipality from the
8 qualified hotel in the preceding month until the amount remitted to
9 the comptroller equals the total amount due as stated in the notice.
10 The first payment required under this subsection must be made not
11 later than the 30th day after the date the municipality receives the
12 notice from the comptroller. Subsequent payments are due on the
13 20th day of each month until the total amount stated in the notice
14 is paid. The comptroller shall prescribe the procedure a
15 municipality must use to remit a payment required by this
16 subsection to the comptroller.

17 SECTION 3. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2025.