

By: Landgraf

H.B. No. 3692

Substitute the following for H.B. No. 3692:

By: Springer

C.S.H.B. No. 3692

A BILL TO BE ENTITLED

AN ACT

relating to the financing of convention center hotels in certain municipalities.

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

SECTION 1. Section 2303.003(8), Government Code, is amended to read as follows:

(8) "Qualified hotel project" means:

(A) a hotel proposed to be constructed by a municipality or a nonprofit municipally sponsored local government corporation created under the Texas Transportation Corporation Act, Chapter 431, Transportation Code, that is within 1,000 feet of a convention center owned by a municipality having a population of 1,500,000 or more, including shops, parking facilities, and any other facilities ancillary to the hotel; ~~and~~

(B) a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created under the Texas Transportation Corporation Act, Chapter 431, Transportation Code, that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States; and

(C) a hotel proposed to be constructed that is within 1,000 feet of a convention center facility owned by a municipality with a population of at least 99,900 but not more than

1 112,000 that is located in a county with a population of at least
2 135,000 but not more than 200,000.

3 SECTION 2. Section 351.001(2), Tax Code, is amended to read
4 as follows:

5 (2) "Convention center facilities" or "convention
6 center complex" means facilities that are primarily used to host
7 conventions and meetings. The term means civic centers, civic
8 center buildings, auditoriums, exhibition halls, and coliseums
9 that are owned by the municipality or other governmental entity or
10 that are managed in whole or part by the municipality. In a
11 municipality with a population of 1.5 million or more, "convention
12 center facilities" or "convention center complex" means civic
13 centers, civic center buildings, auditoriums, exhibition halls,
14 and coliseums that are owned by the municipality or other
15 governmental entity or that are managed in part by the
16 municipality, hotels owned by the municipality or a nonprofit
17 municipally sponsored local government corporation created under
18 Chapter 431, Transportation Code, within 1,000 feet of a convention
19 center owned by the municipality, or a historic hotel owned by the
20 municipality or a nonprofit municipally sponsored local government
21 corporation created under Chapter 431, Transportation Code, within
22 one mile of a convention center owned by the municipality. The
23 term includes parking areas or facilities that are for the parking
24 or storage of conveyances and that are located at or in the vicinity
25 of other convention center facilities. The term also includes a
26 hotel owned by or located on land that is owned by an eligible
27 central municipality or by a nonprofit corporation acting on behalf

of an eligible central municipality and that is located within 1,000 feet of a convention center facility owned by the municipality. The term also includes a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States. The term also includes a hotel to be owned by a person, including a private entity, to be constructed within 1,000 feet of a convention center facility owned by a municipality with a population of at least 99,900 but not more than 112,000 and that is located in a county with a population of at least 135,000 but not more than 200,000.

SECTION 3. Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1078 to read as follows:

Sec. 351.1078. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) This section applies only to a qualified hotel project, as that term is defined by Section 2303.003, Government Code, proposed to be constructed or constructed in a municipality with a population of at least 99,900 but not more than 112,000 that is located in a county with a population of at least 135,000 but not more than 200,000.

(b) Notwithstanding Section 2303.5055, Government Code, and any other provision of this chapter, a municipality to which this section applies may agree to rebate, refund, or pay all or part of the revenue from the tax imposed under this chapter that is derived

1 from the qualified hotel project for a term determined by the
2 municipality, which may not extend beyond the 20th anniversary of
3 the date the qualified hotel project opens for initial occupancy.

4 (c) If the municipality agrees to rebate, refund, or pay
5 revenue under Subsection (b), the municipality may not, on or after
6 the date the qualified hotel project from which the revenue is
7 derived opens for initial occupancy, reduce the percentage of
8 revenue from the tax imposed under this chapter and allocated for a
9 purpose described by Section 351.101(a)(3) to a percentage that is
10 less than the average percentage of that revenue, not including any
11 reserve or surplus, allocated by the municipality for that purpose
12 during the 36-month period preceding the date the municipality
13 begins using revenue under Subsection (b).

14 (d) A municipality to which this section applies is entitled
15 to receive hotel occupancy tax revenue from a qualified hotel
16 project that an owner of the project may receive under Section
17 151.429(h) of this code and Section 2303.5055, Government Code,
18 during the first 20 years after the qualified hotel project is open
19 for initial occupancy.

20 SECTION 4. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2015.