

By: Márquez

H.B. No. 1742

Substitute the following for H.B. No. 1742:

By: Turner of Tarrant

C.S.H.B. No. 1742

A BILL TO BE ENTITLED

AN ACT

relating to certain convention center hotel projects.

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

SECTION 1. Sections 351.001(2) and (7), Tax Code, are amended to read as follows:

(2) "Convention center facilities" or "convention center complex" means facilities that are primarily used to host conventions and meetings. The term means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in whole or part by the municipality. In a municipality with a population of 1.5 million or more, "convention center facilities" or "convention center complex" means civic centers, civic center buildings, auditoriums, exhibition halls, and coliseums that are owned by the municipality or other governmental entity or that are managed in part by the municipality, hotels owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within 1,000 feet of a convention center owned by the municipality, or a historic hotel owned by the municipality or a nonprofit municipally sponsored local government corporation created under Chapter 431, Transportation Code, within one mile of a convention center owned by the municipality. The term includes parking areas or facilities that are for the parking

1 or storage of conveyances and that are located at or in the vicinity
2 of other convention center facilities. The term also includes a
3 hotel owned by or located on land that is owned by an eligible
4 central municipality or by a nonprofit corporation acting on behalf
5 of an eligible central municipality and that is located within
6 1,000 feet of a convention center facility owned by the
7 municipality. ~~[The term also includes a hotel proposed to be
8 constructed, remodeled, or rehabilitated by a municipality or a
9 nonprofit municipally sponsored local government corporation
10 created under Chapter 431, Transportation Code, that is within
11 3,000 feet of the property line of a convention center owned by a
12 municipality having a population of more than 500,000 and that
13 borders the United Mexican States.]~~

14 (7) "Eligible central municipality" means:

15 (A) a municipality with a population of more than
16 140,000 but less than 1.5 million that is located in a county with a
17 population of one million or more and that has adopted a capital
18 improvement plan for the expansion of an existing convention center
19 facility; ~~[or]~~

20 (B) a municipality with a population of 250,000
21 or more that:

22 (i) is located wholly or partly on a barrier
23 island that borders the Gulf of Mexico;

24 (ii) is located in a county with a
25 population of 300,000 or more; and

26 (iii) has adopted a capital improvement
27 plan to expand an existing convention center facility; or

1 (C) a municipality with a population of 640,000
2 or more that:

3 (i) is located on an international border;
4 and

5 (ii) has adopted a capital improvement plan
6 for the construction or expansion of a convention center facility.

7 SECTION 2. Section 351.102(a), Tax Code, is amended to read
8 as follows:

9 (a) Subject to the limitations provided by this subchapter,
10 a municipality may pledge the revenue derived from the tax imposed
11 under this chapter for the payment of bonds that are issued under
12 Section 1504.002(a), Government Code, for one or more of the
13 purposes provided by Section 351.101 or, in the case of a
14 municipality of 1,500,000 or more [~~or a municipality having a~~
15 ~~population of more than 500,000 and that borders the United Mexican~~
16 ~~States~~], for the payment of principal of or interest on bonds or
17 other obligations of a municipally sponsored local government
18 corporation created under Chapter 431, Transportation Code, that
19 were issued to pay the cost of the acquisition and construction of a
20 convention center hotel or the cost of acquisition, remodeling, or
21 rehabilitation of a historic hotel structure; provided, however,
22 such pledge may only be that portion of the tax collected at such
23 hotel.

24 SECTION 3. Section 351.1065, Tax Code, is amended by adding
25 Subsection (d) to read as follows:

26 (d) An eligible central municipality described by Section
27 351.001(7)(C) that uses revenue derived from the tax imposed under

this chapter or funds received under Section 351.102(c) for a hotel project described by Section 351.102(b) may not reduce the percentage of revenue from the tax imposed under this chapter and allocated for a purpose described by Section 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue or funds for the hotel project.

SECTION 4. Section 151.429(h), Tax Code, is amended to read as follows:

(h) ~~[This subsection does not apply to a qualified hotel project described by Section 2303.003(8)(B), Government Code.]~~

Notwithstanding the other provisions of this section, the owner of a qualified hotel project shall receive a rebate, refund, or payment of 100 percent of the sales and use taxes paid or collected by the qualified hotel project or businesses located in the qualified hotel project pursuant to this chapter and 100 percent of the hotel occupancy taxes paid by persons for the use or possession of or for the right to the use or possession of a room or space at the qualified hotel project pursuant to the provisions of Chapter 156 during the first 10 years after such qualified hotel project is open for initial occupancy. The comptroller shall deposit the taxes in trust in a separate suspense account of the qualified hotel project. A suspense account is outside the state treasury, and the comptroller may make a rebate, refund, or payment authorized by this section without the necessity of an appropriation. The comptroller shall rebate, refund, or pay to each qualified hotel

1 project eligible taxable proceeds to which the project is entitled
2 under this section at least monthly.

3 SECTION 5. Section 2303.003(8), Government Code, is amended
4 to read as follows:

5 (8) "Qualified hotel project" means[+
6 [(A)] a hotel proposed to be constructed by a
7 municipality or a nonprofit municipally sponsored local government
8 corporation created under the Texas Transportation Corporation
9 Act, Chapter 431, Transportation Code, that is within 1,000 feet of
10 a convention center owned by a municipality having a population of
11 1,500,000 or more, including shops, parking facilities, and any
12 other facilities ancillary to the hotel[+and

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

20 SECTION 6. Section 2303.5055(b), Government Code, is
21 amended to read as follows:

22 (b) A municipality with a population of 1,500,000 or more
23 [~~or a municipality having a population of more than 500,000 and that~~
24 ~~borders the United Mexican States]~~ may agree to guarantee from
25 hotel occupancy taxes the bonds or other obligations of a
26 municipally sponsored local government corporation created under
27 the Texas Transportation Corporation Act, Chapter 431,

1 Transportation Code, that were issued or incurred to pay the cost of
2 construction, remodeling, or rehabilitation of a qualified hotel
3 project.

4 SECTION 7. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2015.