

By: Landgraf

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 1504.001, Government Code, is amended by adding Subsection (c) to read as follows:

(c) 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 may establish, acquire, lease as lessee or lessor, construct, improve, enlarge, and equip a hotel and any facilities ancillary to the hotel, including shops, parking facilities, and plazas, that are owned by or located on land owned by the municipality or by a nonprofit corporation acting on behalf of the municipality, and that are located within 1,000 feet of a convention center facility owned by the municipality.

SECTION 2. Section 1504.002, Government Code, is amended by adding Subsection (c) to read as follows:

(c) 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 may issue bonds or incur other obligations to acquire, lease, construct, or equip a facility described by Section 1504.001(c).

SECTION 3. 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 112,000 that is located in a county with a population of at least 135,000 but not more than 200,000.

SECTION 4. Section 351.001(2), Tax Code, is 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

1 that are owned by the municipality or other governmental entity or
2 that are managed in whole or part by the municipality. In a
3 municipality with a population of 1.5 million or more, "convention
4 center facilities" or "convention center complex" means civic
5 centers, civic center buildings, auditoriums, exhibition halls,
6 and coliseums that are owned by the municipality or other
7 governmental entity or that are managed in part by the
8 municipality, hotels owned by the municipality or a nonprofit
9 municipally sponsored local government corporation created under
10 Chapter 431, Transportation Code, within 1,000 feet of a convention
11 center owned by the municipality, or a historic hotel owned by the
12 municipality or a nonprofit municipally sponsored local government
13 corporation created under Chapter 431, Transportation Code, within
14 one mile of a convention center owned by the municipality. The
15 term includes parking areas or facilities that are for the parking
16 or storage of conveyances and that are located at or in the vicinity
17 of other convention center facilities. The term also includes a
18 hotel owned by or located on land that is owned by an eligible
19 central municipality or by a nonprofit corporation acting on behalf
20 of an eligible central municipality and that is located within
21 1,000 feet of a convention center facility owned by the
22 municipality. The term also includes a hotel proposed to be
23 constructed, remodeled, or rehabilitated by a municipality or a
24 nonprofit municipally sponsored local government corporation
25 created under Chapter 431, Transportation Code, that is within
26 3,000 feet of the property line of a convention center owned by a
27 municipality having a population of more than 500,000 and that

1 borders the United Mexican States. The term also includes a hotel
2 to be owned by the municipality or by another person, including a
3 private entity, to be constructed within 1,000 feet of a convention
4 center facility owned by a municipality with a population of at
5 least 99,900 but not more than 112,000 and that is located in a
6 county with a population of at least 135,000 but not more than
7 200,000.

8 SECTION 5. Subchapter B, Chapter 351, Tax Code, is amended
9 by adding Section 351.1078 to read as follows:

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

17 (b) Notwithstanding Section 2303.5055, Government Code, and
18 any other provision of this chapter, a municipality to which this
19 section applies may agree to rebate, refund, or pay all or part of
20 the revenue from the tax imposed under this chapter that is derived
21 from the qualified hotel project for a term determined by the
22 municipality, which may not extend beyond the 20th anniversary of
23 the date construction of the qualified hotel project began.

24 (c) If the municipality agrees to rebate, refund, or pay
25 revenue under Subsection (b), the municipality may not reduce the
26 percentage of revenue from the tax imposed under this chapter and
27 allocated for a purpose described by Section 351.101(a)(3) to a

1 percentage that is less than the average percentage of that
2 revenue, not including any reserve or surplus, allocated by the
3 municipality for that purpose during the 36-month period preceding
4 the date the municipality begins using revenue under Subsection
5 (b).

6 (d) A municipality to which this section applies is entitled
7 to receive hotel occupancy tax revenue from a qualified hotel
8 project that an owner of the project may receive under Section
9 151.429(h) of this code and Section 2303.5055, Government Code,
10 during the first 20 years after the qualified hotel project is open
11 for initial occupancy.

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