

CHAPTER 231

H.B. No. 2282

AN ACT

relating to certain hotel facilities.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 351.001(2), Tax Code, is amended to read as follows:

(2) "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 whole or part by the municipality, *hotels owned by the municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) within 1,000 feet of a convention center owned by a municipality with a population of 1,500,000 or more, or a historic hotel owned by a municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) within one mile of a convention center owned by a municipality with a population of 1,500,000 or more.* The term includes parking areas or facilities that are for the parking or storage of conveyances and that are located at or in the [immediate] vicinity of other convention center facilities.

SECTION 2. Section 352.101(a), Tax Code, is amended to read as follows:

(a) The revenue from a tax imposed under this chapter by a county having a population of more than two million may be used only for:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of public improvements such as civic centers, civic center buildings, auditoriums, exhibition halls, coliseums, and stadiums, including sports and other facilities that serve the purpose of attracting visitors and tourists to the county, and parking areas or facilities for the parking or storage of motor vehicles or other conveyances, *hotels owned by a municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) within 1,000 feet of a convention center owned by a municipality with a population of 1,500,000 or more, or a historic hotel owned by a municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) within one mile* ~~located at or in the immediate vicinity~~ of a ~~the~~ convention center owned by a municipality with a population of 1,500,000 or more ~~facilities~~;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants; and

(3) general promotion and tourist advertising of the county and its vicinity and conducting a solicitation program to attract conventions and visitors, any of which may be conducted by the county or through contracts with persons or organizations selected by the county.

SECTION 3. Section 351.102(a), Tax Code, is amended to read as follows:

(a) Subject to the limitations provided by this subchapter, a municipality may pledge the revenue derived from the tax imposed under this chapter for the payment of bonds that are issued under Section 3, Chapter 63, Acts of the 59th Legislature, Regular Session, 1965 (Article 1269j-4.1, Vernon's Texas Civil Statutes), for one or more of the purposes provided by Section 351.101 or, *in the case of a municipality of 1,500,000 or more, for the payment of principal of or interest on bonds or other obligations of a municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) that were issued to pay the cost of the acquisition and construction of a convention center hotel or the cost of acquisition, remodeling, or rehabilitation of a historic hotel structure; provided, however, such pledge may only be that portion of the tax collected at such hotel.*

SECTION 4. Section 2(a), Chapter 63, Acts of the 59th Legislature, Regular Session, 1965 (Article 1269j-4.1, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Any such city is hereby authorized to establish, acquire, lease as lessee or lessor, purchase, construct, improve, enlarge, equip, repair, operate or maintain (any or all) ~~public~~ improvements such as civic centers, civic center buildings, auditoriums, opera houses, music halls, exhibition halls, coliseums, museums, libraries, or other city buildings (either or all), ~~and~~ golf courses, tennis courts, and other similar recreational facilities, *hotels owned by a municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) within 1,000 feet of a convention center owned by a municipality with a population of 1,500,000 or more, or a historic hotel owned by a municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528l, Vernon's Texas Civil Statutes) within one mile of a convention center owned by a municipality with a population of 1,500,000 or more,* and to establish, acquire, lease as lessee or lessor, purchase, construct, improve, enlarge, equip, repair, operate or maintain (any or all) structures, parking areas, or facilities, located at or in the immediate vicinity of such public improvements, to be used in connection with such ~~public~~ improvements for off-street parking or storage of motor vehicles or other conveyances; and provided that any such lease shall be on such terms and conditions as said city shall deem appropriate.

SECTION 5. Section 3(a)(11), Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), is amended to read as follows:

(11) "Qualified business" means a person, including a corporation or other entity, that the department, for purposes of state benefits under this Act, and a governing body, for purposes of local benefits, certifies to have met the following criteria:

(A) the person is engaged in or has provided substantial commitment to initiate the active conduct of a trade or business in the zone; and

(B) at least 25 percent of the business's new employees in the zone are residents of any zone within the governing body's or bodies' jurisdiction or economically disadvantaged individuals; or

(C) is a qualified hotel project that is owned by a municipality with a population of 1,500,000 or more or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528I, Vernon's Texas Civil Statutes).

SECTION 6. Section 3(a), Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), is amended by adding Subdivisions (14) and (15) to read as follows:

(14) "Qualified hotel project" means a hotel proposed to be constructed by a municipality or a nonprofit municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528I, Vernon's Texas Civil Statutes) that is within 1,000 feet of a convention center owned by a municipality having a population of 1,500,000 or more, including all facilities ancillary thereto such as shops and parking facilities.

A qualified hotel project shall be deemed to have met the employment, income, and other criteria of a qualified business and an enterprise project, and the enterprise zone in which the qualified hotel project is located shall be deemed to have met all qualifications of this Act to permit the department to designate the qualified hotel project as an enterprise project.

(15) "Eligible taxable proceeds" means taxable proceeds generated, paid, or collected by a qualified hotel project or a business at a qualified hotel project, including hotel occupancy taxes, ad valorem taxes, sales and use taxes, and mixed beverage taxes.

SECTION 7. Section 13, Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 13. REDUCTION OR ELIMINATION OF FEES AND TAXES. (a) To promote the public health, safety, or welfare, the governing body of a municipality or county may establish a program by which it reduces or eliminates any fees or taxes, other than sales and use or property taxes, that it imposes on a qualified business or qualified employee. The governing body of a municipality or county may not reduce or eliminate local sales and use taxes except to the extent it grants a rebate or refund or provides a payment under this section or Section 12 of this Act.

(b) A municipality, county, political subdivision, or other governmental body may enter into an agreement to rebate, refund, or pay eligible taxable proceeds to the owner of the qualified hotel project at which such eligible taxable proceeds were generated or collected for a period not to exceed 10 years. A municipality with a population of 1,500,000 or more may enter into an agreement to guarantee from hotel occupancy taxes the bonds or other obligations of a municipally sponsored local government corporation created pursuant to the Texas Transportation Corporation Act (Article 1528I, Vernon's Texas Civil Statutes) that were issued or incurred to pay the cost of constructing, remodeling, or rehabilitating a qualified hotel project. Any agreement must be in writing, contain an expiration date, and require the beneficiary to provide documentation necessary to support a claim. The municipality, county, political subdivision, or other governmental body that enters into any such agreement shall make the rebate, refund, or payment directly to the beneficiary set out in the agreement.

SECTION 8. The Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes) is amended by adding Section 10A to read as follows:

Sec. 10A. DESIGNATION OF QUALIFIED HOTEL PROJECT AS ENTERPRISE PROJECT. A qualified hotel project may be designated by the department as an enterprise project prior to or after August 31, 1993. New permanent jobs created by the qualified hotel

*project shall not be considered in determining the number of enterprise projects that the department may approve pursuant to the other provisions of this Act.*

SECTION 9. Section 151.429(e), Tax Code, is amended to read as follows:

(e) In this section, "enterprise project," "enterprise zone," "*qualified hotel project*," "new permanent job," and "qualified employee" have the meanings assigned to those terms by Section 3, Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes).

SECTION 10. Section 151.429, Tax Code, is amended by adding Subsection (h) to read as follows:

*(h) 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 seven years after such qualified hotel project is open for initial occupancy.*

SECTION 11. The legislature recommends to the governing body of a municipality having a population of 1.5 million or more operating a qualified hotel project under this Act that it adopt the aggregate goals for the municipality's contracting with minority and women enterprises set forth in the June 1992 report of Texas Southern University as specified for the categories of construction, procurement, and professional services. A cause of action may not be maintained to enforce this section or to recover damages based on the failure of the municipality to follow the recommendation of this section.

SECTION 12. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on April 23, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 2282 on May 11, 1993, by a non-record vote; passed by the Senate, with amendments, on May 5, 1993: Yeas 30, Nays 0.

Approved May 20, 1993.

Effective Aug. 30, 1993, 90 days after date of adjournment.