

1-1 By: West S.B. No. 1354
 1-2 (In the Senate - Filed March 6, 2017; March 16, 2017, read
 1-3 first time and referred to Committee on Natural Resources &
 1-4 Economic Development; April 27, 2017, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 7,
 1-6 Nays 0, 3 present not voting; April 27, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10				
1-11				X
1-12	X			
1-13			X	
1-14	X			
1-15				X
1-16	X			
1-17	X			
1-18	X			
1-19				X

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1354 By: Garcia

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the authority of certain municipalities to pledge
 1-24 certain tax revenue for the payment of obligations related to hotel
 1-25 projects.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. Section [351.102](#), Tax Code, is amended by
 1-28 amending Subsections (b), (c), and (d) and adding Subsection (e) to
 1-29 read as follows:

1-30 (b) An eligible central municipality, a municipality with a
 1-31 population of 173,000 or more that is located within two or more
 1-32 counties, a municipality with a population of 96,000 or more that is
 1-33 located in a county that borders Lake Palestine or contains the
 1-34 headwaters of the San Gabriel River, or a municipality with a
 1-35 population of at least 99,900 but not more than 111,000 that is
 1-36 located in a county with a population of at least 135,000 may pledge
 1-37 the revenue derived from the tax imposed under this chapter from a
 1-38 hotel project that is owned by or located on land owned by the
 1-39 municipality or, in an eligible central municipality, by a
 1-40 nonprofit corporation acting on behalf of an eligible central
 1-41 municipality, and that is located within 1,000 feet of a convention
 1-42 center facility owned by the municipality for the payment of bonds
 1-43 or other obligations issued or incurred to acquire, lease,
 1-44 construct, and equip the hotel and any facilities ancillary to the
 1-45 hotel, including convention center entertainment-related
 1-46 facilities, meeting spaces, restaurants, shops, street and water
 1-47 and sewer infrastructure necessary for the operation of the hotel
 1-48 or ancillary facilities, and parking facilities within 1,000 feet
 1-49 of the hotel or convention center facility. For bonds or other
 1-50 obligations issued under this subsection, an eligible central
 1-51 municipality or a municipality described by this subsection or
 1-52 Subsection (e) may only pledge revenue or other assets of the hotel
 1-53 project benefiting from those bonds or other obligations.

1-54 (c) A municipality to which Subsection (b) or (e) applies is
 1-55 entitled to receive all funds from a project described by this
 1-56 section that an owner of a project may receive under Section
 1-57 [151.429](#)(h) of this code, or Section [2303.5055](#), Government Code, and
 1-58 may pledge the funds for the payment of obligations issued under
 1-59 this section.

1-60 (d) Except as provided by this subsection, an eligible

2-1 central municipality or another municipality described by
2-2 Subsection (b) or (e) that uses revenue derived from the tax imposed
2-3 under this chapter or funds received under Subsection (c) for a
2-4 hotel project described by Subsection (b) may not reduce the
2-5 percentage of revenue from the tax imposed under this chapter and
2-6 allocated for a purpose described by Section 351.101(a)(3) to a
2-7 percentage that is less than the average percentage of that revenue
2-8 allocated by the municipality for that purpose during the 36-month
2-9 period preceding the date the municipality begins using the revenue
2-10 or funds for the hotel project. This subsection does not apply to
2-11 an eligible central municipality described by Section
2-12 351.001(7)(D).

2-13 (e) In addition to the municipalities described by
2-14 Subsection (b), that subsection also applies to a municipality
2-15 that:

2-16 (1) contains a portion of Cedar Hill State Park;

2-17 (2) has a population of more than 45,000;

2-18 (3) is located in two counties, one of which has a
2-19 population of more than two million and one of which has a
2-20 population of more than 149,000; and

2-21 (4) has adopted a capital improvement plan for the
2-22 construction or expansion of a convention center facility.

2-23 SECTION 2. This Act takes effect immediately if it receives
2-24 a vote of two-thirds of all the members elected to each house, as
2-25 provided by Section 39, Article III, Texas Constitution. If this
2-26 Act does not receive the vote necessary for immediate effect, this
2-27 Act takes effect September 1, 2017.

2-28 * * * * *