

1-1 By: Burrows (Senate Sponsor - Birdwell) H.B. No. 4103
 1-2 (In the Senate - Received from the House May 3, 2021;
 1-3 May 10, 2021, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 24, 2021, reported
 1-5 adversely, with favorable Committee Substitute by the following
 1-6 vote: Yeas 9, Nays 0; May 24, 2021, sent to printer.)

1-7 COMMITTEE VOTE

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

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 4103 By: Birdwell

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the use of certain tax revenue by certain
 1-22 municipalities and to the entitlement of certain municipalities to
 1-23 certain tax revenue related to a hotel and convention center
 1-24 project.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 351.101(n), Tax Code, is amended to read
 1-27 as follows:

1-28 (n) In addition to other authorized uses, a municipality
 1-29 that has a population of not more than 1,500 and is located in a
 1-30 county that borders Arkansas and Louisiana may use revenue from the
 1-31 municipal hotel occupancy tax for the promotion of tourism by the
 1-32 enhancement and upgrading of an existing sports facility or field
 1-33 as specified by Subsection (a)(7), provided that the requirements
 1-34 of Subsection [Subsections] (a)(7)(A) [and (C)] and Section
 1-35 351.1076 are met.

1-36 SECTION 2. Section 351.10712(a), Tax Code, is amended to
 1-37 read as follows:

1-38 (a) This section applies only to:

1-39 (1) a municipality with a population of at least
 1-40 95,000 that is located in a county that is bisected by United States
 1-41 Highway 385 and has a population of not more than 140,000; and

1-42 (2) a municipality located in a county that has a
 1-43 population of not more than 300,000 and in which a component
 1-44 university of the University of Houston System is located.

1-45 SECTION 3. Section 351.152, Tax Code, is amended to read as
 1-46 follows:

1-47 Sec. 351.152. APPLICABILITY. This subchapter applies only
 1-48 to:

1-49 (1) a municipality described by Section
 1-50 351.001(7)(B);

1-51 (2) a municipality described by Section
 1-52 351.001(7)(D);

1-53 (3) a municipality described by Section
 1-54 351.001(7)(E);

1-55 (4) a municipality described by Section
 1-56 351.102(e)(3);

1-57 (5) a municipality that contains more than 75 percent
 1-58 of the population of a county with a population of 1.5 million or
 1-59 more;

1-60 (6) a municipality with a population of 150,000 or

2-1 more but less than 200,000 that is partially located in at least one
2-2 county with a population of 125,000 or more;

2-3 (7) a municipality with a population of 150,000 or
2-4 more but less than one million that is located in one county with a
2-5 population of 2.3 million or more;

2-6 (8) a municipality with a population of 180,000 or
2-7 more that:
2-8 (A) is located in two counties, each with a
2-9 population of 100,000 or more; and
2-10 (B) contains an American Quarter Horse Hall of
2-11 Fame and Museum;

2-12 (9) a municipality with a population of 96,000 or more
2-13 that is located in a county that borders Lake Palestine;

2-14 (10) a municipality with a population of 96,000 or
2-15 more that is located in a county that contains the headwaters of the
2-16 San Gabriel River;

2-17 (11) a municipality with a population of 99,900 or
2-18 more but less than 111,000 that is located in a county with a
2-19 population of 135,000 or more;

2-20 (12) a municipality with a population of 110,000 or
2-21 more but less than 135,000 at least part of which is located in a
2-22 county with a population of less than 135,000;

2-23 (13) a municipality with a population of 9,000 or more
2-24 but less than 10,000 that is located in two counties, each of which
2-25 has a population of 662,000 or more and a southern border with a
2-26 county with a population of 2.3 million or more;

2-27 (14) a municipality with a population of 200,000 or
2-28 more but less than 300,000 that contains a component institution of
2-29 the Texas Tech University System;

2-30 (15) a municipality with a population of 95,000 or
2-31 more that:
2-32 (A) is located in more than one county; and
2-33 (B) borders Lake Lewisville;

2-34 (16) a municipality with a population of 45,000 or
2-35 more that:
2-36 (A) contains a portion of Cedar Hill State Park;
2-37 (B) is located in two counties, one of which has a
2-38 population of two million or more and one of which has a population
2-39 of 149,000 or more; and
2-40 (C) has adopted a capital improvement plan for
2-41 the construction or expansion of a convention center facility;

2-42 (17) a municipality with a population of less than
2-43 6,000 that:
2-44 (A) is almost wholly located in a county with a
2-45 population of 600,000 or more that is adjacent to a county with a
2-46 population of two million or more;
2-47 (B) is partially located in a county with a
2-48 population of 1.8 million or more that is adjacent to a county with
2-49 a population of two million or more;
2-50 (C) has a visitor center and museum located in a
2-51 19th-century rock building in the municipality's downtown; and
2-52 (D) has a waterpark open to the public;

2-53 (18) a municipality with a population of 56,000 or
2-54 more that:
2-55 (A) borders Lake Ray Hubbard; and
2-56 (B) is located in two counties, one of which has a
2-57 population of less than 80,000;

2-58 (19) a municipality with a population of 83,000 or
2-59 more that:
2-60 (A) borders Clear Lake; and
2-61 (B) is primarily located in a county with a
2-62 population of less than 300,000;

2-63 (20) a municipality with a population of less than
2-64 2,000 that:
2-65 (A) is located adjacent to a bay connected to the
2-66 Gulf of Mexico;
2-67 (B) is located in a county with a population of
2-68 290,000 or more that is adjacent to a county with a population of
2-69 four million or more; and

- 3-1 (C) has a boardwalk on the bay;
- 3-2 (21) a municipality with a population of 75,000 or
- 3-3 more that:
- 3-4 (A) is located wholly in one county with a
- 3-5 population of 575,000 or more that is adjacent to a county with a
- 3-6 population of four million or more; and
- 3-7 (B) has adopted a capital improvement plan for
- 3-8 the construction or expansion of a convention center facility;
- 3-9 (22) a municipality with a population of less than
- 3-10 75,000 that is located in three counties, at least one of which has
- 3-11 a population of four million or more;
- 3-12 (23) an eligible coastal municipality with a
- 3-13 population of 3,000 or more but less than 5,000;
- 3-14 (24) a municipality with a population of 90,000 or
- 3-15 more but less than 150,000 that:
- 3-16 (A) is located in three counties; and
- 3-17 (B) contains a branch campus of a component
- 3-18 institution of the University of Houston System;
- 3-19 (25) a municipality that is:
- 3-20 (A) primarily located in a county with a
- 3-21 population of four million or more; and
- 3-22 (B) connected by a bridge to a municipality
- 3-23 described by Subdivision (20);
- 3-24 (26) a municipality with a population of 20,000 or
- 3-25 more but less than 25,000 that:
- 3-26 (A) contains a portion of Mustang Bayou; and
- 3-27 (B) is wholly located in a county with a
- 3-28 population of less than 500,000;
- 3-29 (27) a municipality with a population of 70,000 or
- 3-30 more but less than 90,000 that is located in two counties, one of
- 3-31 which has a population of four million or more and the other of
- 3-32 which has a population of less than 50,000;
- 3-33 (28) a municipality with a population of 10,000 or
- 3-34 more that:
- 3-35 (A) is wholly located in a county with a
- 3-36 population of four million or more; and
- 3-37 (B) has a city hall located less than three miles
- 3-38 from a space center operated by an agency of the federal government;
- 3-39 (29) a municipality that is the county seat of a
- 3-40 county:
- 3-41 (A) through which the Pedernales River flows; and
- 3-42 (B) in which the birthplace of a president of the
- 3-43 United States is located;
- 3-44 (30) a municipality that contains a portion of U.S.
- 3-45 Highway 79 and State Highway 130;
- 3-46 (31) a municipality with a population of 48,000 or
- 3-47 more but less than 95,000 that is located in two counties, one of
- 3-48 which has a population of 900,000 or more but less than 1.7 million;
- 3-49 (32) a municipality with a population of less than
- 3-50 25,000 that contains a museum of Western American art;
- 3-51 (33) a municipality with a population of 50,000 or
- 3-52 more that is the county seat of a county that contains a portion of
- 3-53 the Sam Houston National Forest;
- 3-54 (34) a municipality with a population of less than
- 3-55 25,000 that:
- 3-56 (A) contains a cultural heritage museum; and
- 3-57 (B) is located in a county that borders the
- 3-58 United Mexican States and the Gulf of Mexico;
- 3-59 (35) a municipality that is the county seat of a county
- 3-60 that:
- 3-61 (A) has a population of 115,000 or more;
- 3-62 (B) is adjacent to a county with a population of
- 3-63 1.8 million or more; and
- 3-64 (C) hosts an annual peach festival;
- 3-65 (36) a municipality that is the county seat of a county
- 3-66 that:
- 3-67 (A) has a population of 585,000 or more; and
- 3-68 (B) is adjacent to a county with a population of
- 3-69 four million or more;

- 4-1 (37) a municipality with a population of less than
4-2 10,000 that:
4-3 (A) contains a component university of The Texas
4-4 A&M University System; and
4-5 (B) is located in a county adjacent to a county
4-6 that borders Oklahoma;
4-7 (38) a municipality with a population of less than
4-8 6,100 that:
4-9 (A) is located in two counties, each of which has
4-10 a population of 600,000 or more but less than two million; and
4-11 (B) hosts an annual Cajun Festival;
4-12 (39) a municipality with a population of 13,000 or
4-13 more that:
4-14 (A) is located on an international border; and
4-15 (B) is located in a county:
4-16 (i) with a population of less than 400,000;
4-17 and
4-18 (ii) in which at least one World Birding
4-19 Center site is located;
4-20 (40) a municipality with a population of 4,000 or more
4-21 that:
4-22 (A) is located on an international border; and
4-23 (B) is located not more than five miles from a
4-24 state historic site that serves as a visitor center for a state park
4-25 that contains 300,000 or more acres of land;
4-26 (41) a municipality with a population of 36,000 or
4-27 more that is adjacent to at least two municipalities described by
4-28 Subdivision (15); ~~and~~
4-29 (42) a municipality with a population of 28,000 or
4-30 more in which is located a historic railroad depot and heritage
4-31 center;
4-32 (43) a municipality located in a county that has a
4-33 population of not more than 300,000 and in which a component
4-34 university of the University of Houston System is located;
4-35 (44) a municipality with a population of less than
4-36 500,000 that is:
4-37 (A) located in two counties; and
4-38 (B) adjacent to a municipality described by
4-39 Subdivision (31); and
4-40 (45) a municipality that:
4-41 (A) has a population of more than 67,000; and
4-42 (B) is located in two counties with 90 percent of
4-43 the municipality's territory located in a county with a population
4-44 of at least 580,000, and the remaining territory located in a county
4-45 with a population of at least four million.
4-46 SECTION 4. Sections 351.157(a), (b), (c), and (e), Tax
4-47 Code, are amended to read as follows:
4-48 (a) In this section, "qualified establishment" means an
4-49 establishment:
4-50 (1) that is located on land:
4-51 (A) owned by a municipality; or
4-52 (B) owned by any person if the establishment is
4-53 located in a municipality described by Section 351.152(3) or owned
4-54 by the federal government if the establishment is located in a
4-55 municipality described by Section 351.152(6);
4-56 (2) the nearest exterior wall of which is located not
4-57 more than 1,000 feet from the nearest exterior wall of a qualified
4-58 hotel or qualified convention center facility;
4-59 (3) that is constructed:
4-60 (A) on or after the date the municipality
4-61 commences a qualified project under this subchapter; or
4-62 (B) at any time if the establishment is located
4-63 in a municipality described by Section 351.152(3);
4-64 (4) that is not a sports stadium; and
4-65 (5) that is the type of establishment described by
4-66 Subsection (c) from which the municipality is entitled to receive
4-67 revenue under Subsection (d).
4-68 (b) This section applies only to:
4-69 (1) a municipality described by Section 351.152(3);

- 5-1 (2) a municipality described by Section 351.152(6);
- 5-2 (3) a municipality described by Section 351.152(7);
- 5-3 (4) a municipality described by Section 351.152(10);
- 5-4 (4-a) a municipality described by Section
- 5-5 351.152(14);
- 5-6 (5) a municipality described by Section 351.152(16);
- 5-7 (6) a municipality described by Section 351.152(22);
- 5-8 (7) a municipality described by Section 351.152(25);
- 5-9 (8) a municipality described by Section 351.152(34);
- 5-10 (9) a municipality described by Section 351.152(35);
- 5-11 (10) a municipality described by Section 351.152(36);
- 5-12 [~~and~~]
- 5-13 (11) a municipality described by Section 351.152(38);
- 5-14 and
- 5-15 (12) a municipality described by Section 351.152(43).
- 5-16 (c) A municipality is entitled to receive revenue under
- 5-17 Subsection (d) derived from the following types of establishments
- 5-18 that meet the requirements of Subsections (a)(1), (2), (3), and
- 5-19 (4):
- 5-20 (1) for a municipality described by Subsection (b)(1):
- 5-21 (A) restaurants, bars, and retail
- 5-22 establishments; and
- 5-23 (B) swimming pools and swimming facilities owned
- 5-24 or operated by the related qualified hotel;
- 5-25 (2) for a municipality described by Subsection (b)(2),
- 5-26 swimming pools and swimming facilities, restaurants, bars, and
- 5-27 retail establishments;
- 5-28 (3) for a municipality described by Subsection (b)(3),
- 5-29 restaurants, bars, and retail establishments;
- 5-30 (4) for a municipality described by Subsection (b)(4):
- 5-31 (A) restaurants, bars, and retail
- 5-32 establishments; and
- 5-33 (B) swimming pools and swimming facilities owned
- 5-34 or operated by the related qualified hotel;
- 5-35 (4-a) for a municipality described by Subsection
- 5-36 (b)(4-a):
- 5-37 (A) restaurants, bars, and retail
- 5-38 establishments; and
- 5-39 (B) swimming pools and swimming facilities owned
- 5-40 or operated by the related qualified hotel;
- 5-41 (5) for a municipality described by Subsection (b)(5),
- 5-42 restaurants, bars, and retail establishments;
- 5-43 (6) for a municipality described by Subsection (b)(6),
- 5-44 restaurants, bars, and retail establishments;
- 5-45 (7) for a municipality described by Subsection (b)(7),
- 5-46 restaurants, bars, and retail establishments;
- 5-47 (8) for a municipality described by Subsection (b)(8),
- 5-48 restaurants, bars, and retail establishments;
- 5-49 (9) for a municipality described by Subsection (b)(9),
- 5-50 restaurants, bars, and retail establishments;
- 5-51 (10) for a municipality described by Subsection
- 5-52 (b)(10):
- 5-53 (A) restaurants, bars, and retail
- 5-54 establishments; and
- 5-55 (B) swimming pools and swimming facilities owned
- 5-56 or operated by the related qualified hotel; [~~and~~]
- 5-57 (11) for a municipality described by Subsection
- 5-58 (b)(11):
- 5-59 (A) restaurants, bars, and retail
- 5-60 establishments; and
- 5-61 (B) swimming pools and swimming facilities owned
- 5-62 or operated by the related qualified hotel; and
- 5-63 (12) for a municipality described by Subsection
- 5-64 (b)(12):
- 5-65 (A) restaurants, bars, and retail
- 5-66 establishments; and
- 5-67 (B) swimming pools and swimming facilities owned
- 5-68 or operated by the related qualified hotel.
- 5-69 (e) A municipality to which this section applies is not

6-1 entitled to receive revenue under Subsection (d) unless the
6-2 municipality commences a qualified project under this subchapter
6-3 before September 1, 2027 [~~2023~~].

6-4 SECTION 5. This Act takes effect immediately if it receives
6-5 a vote of two-thirds of all the members elected to each house, as
6-6 provided by Section 39, Article III, Texas Constitution. If this
6-7 Act does not receive the vote necessary for immediate effect, this
6-8 Act takes effect September 1, 2021.

6-9

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