

- SUBJECT:** Continuing Grand Prairie's hotel occupancy tax for its convention center
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — Oliveira, Otto, Bohac, Hartnett, Hilderbran, C. Howard, P. King, Paxton, Taylor, Villarreal
- 0 nays
- 1 absent — Pena
- WITNESSES:** For — *(Registered, but did not testify:* Donald Postell, City of Grand Prairie)
- Against — None
- BACKGROUND:** Local Government Code, sec. 334.2516(a) authorizes a municipality that:
- is located in three counties;
 - has a population of less than 120,000; and
 - acquires by purchase or lease with a term of not less than 20 years an interest in real property that by the terms of the acquisition is required to be maintained as park property
- to use hotel occupancy tax revenue to acquire, construct, improve and equip a venue project that is a convention center facility or related infrastructure. In addition, the municipality may pledge the revenue to the payment of bonds or other obligations the municipality issues to finance the convention center facility infrastructure.
- As of the 2000 federal decennial census, the city of Grand Prairie is the only Texas municipality that meets the definition found in Local Government Code, sec. 334.2516(a).
- DIGEST:** HB 2032 would amend Local Government Code, sec. 334.2516(a), by changing the population bracket from 120,000 to 130,000 as shown by the 2000 federal decennial census.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS
SAY:**

HB 2032 is a technical correction bill. It would allow the city of Grand Prairie to continue to use the local option hotel occupancy tax to support its local convention center. This tax was first approved by the citizens of Grand Prairie in an election in 1999. Currently, the population reference in sec. 334.2516(a) is not explicitly tied to the most recent federal census. HB 2032 would correct this oversight and would ensure that Grand Prairie could continue to use the hotel occupancy tax for the support of the local convention center should its population change in future censuses. The convention center generates tremendous economic development and investment in Grand Prairie, and HB 2032 would help it to continue to do so.

By changing sec. 334.2516(a) to include a reference to the 2000 federal census, the definition would be locked in, and Grand Prairie never again would outgrow it. HB 2032 would be a permanent fix, not one that only would require future updates.

**OPPONENTS
SAY:**

HB 2032 is not needed. After every census, the Legislature considers a bill to adjust population figures for local entities defined by their population. The most recent one, HB 2810 by Wolens, was enacted by the 78th Legislature in 2001 following the 2000 census. The standard used in HB 2810 for revising the population references was whether five or fewer political subdivisions would be affected by the population definition in the statute. Since sec. 334.2516(a) only applies to one city, it will be covered by the decennial population adjustment in 2011, if the Legislature uses this same standard. The Legislature has been using this procedure effectively since 1971.

NOTES:

The companion bill, SB 2173 by Harris, was considered in a public hearing on April 20 by the Senate Economic Development Committee, which took no action.