

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1354
By: West
Natural Resources & Economic Development
4/25/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Certain municipalities in Texas are authorized to receive a rebate of certain state taxes—namely state hotel occupancy taxes and state sales taxes—to pay for the bonds or other obligations incurred by the city for the construction of a convention center hotel and related facilities (referred to in law as "qualified hotel projects"). The taxes are rebated for a period of 10 years after the hotel is built and open for occupancy. The hotel must be located within 1,000 feet of a city-owned convention center facility and on land owned by the city. Qualified cities submit a request for the rebate to the Texas comptroller of public accounts along with documentation verifying the project is eligible.

The program was created by legislation passed in 1993 to assist the City of Houston with the development of a convention center hotel near the George R. Brown Convention Center and the restoration of the historic Rice Hotel. Since then, 19 other cities have been qualified but, to date, only four cities have applied for the rebate (Houston, San Antonio, Dallas, and Fort Worth).

Cities assert convention center hotels assist the state by attracting out-of-state conventions, business meetings, conferences, and visitors to Texas in addition to aiding with local revitalization efforts. Having a large supply of hotel rooms located near a convention center is critical to event planners and helps attract out-of-state dollars to Texas.

S.B. 1354 authorizes the City of Cedar Hill to qualify for the program. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1354 amends current law relating to the authority of certain municipalities to pledge certain tax revenue for the payment of obligations related to hotel projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 351.102, Tax Code, by amending Subsections (b), (c), and (d) and adding Subsection (e), as follows:

(b) Authorizes an eligible central municipality or a municipality described by this subsection or Subsection (e), rather than described by this subsection, for bonds or other obligations issued under this subsection, to only pledge revenue or other assets of the hotel project benefiting from those bonds or other obligations.

(c) and (d) Makes conforming changes.

(e) Provides that in addition to the municipalities described by Subsection (b), that subsection also applies to a municipality that:

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

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

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

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

SECTION 2. Effective date: upon passage or September 1, 2017.