

SUBJECT: Authorizing tourism public improvement districts in certain municipalities

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 5 ayes — Alvarado, Hunter, R. Anderson, Bernal, Elkins

2 nays — Schaefer, M. White

WITNESSES: For — Mary German, Arlington Convention and Visitors Bureau; Robert Lander, Austin Convention and Visitors Bureau; Scott Joslove, Texas Hotel and Lodging Association; (*Registered, but did not testify*: John Hrnrcir and Nancy Williams, City of Austin; Megan Dodge, City of San Antonio; Dana Harris, Greater Austin Chamber of Commerce; John Clamp, San Antonio Hotel Association; Justin Bragiel, Texas Hotel and Lodging Association)

Against — None

BACKGROUND: Local Government Code, ch. 372 establishes the Public Improvement District Assessment Act, which authorizes certain municipalities and counties to create public improvement districts (PIDs) to undertake and fund certain projects. PIDs may be created to address a variety of issues, including supplemental services for improvement and promotion of districts, such as advertising and business recruitment and development.

Sec. 372.0035 grants the city of Dallas the authority to create a PID composed solely of hotels with 100 or more rooms. The purpose of the tourism PID in Dallas was to allow hotels to propose a self-assessment that would create additional funding for marketing and incentives to attract convention and group business to their area. Since Dallas established the tourism PID, its Convention and Visitor Bureau has doubled its closure rate for securing city-wide conventions.

DIGEST: HB 2688 would expand authority to certain municipalities to create public improvement districts in areas composed solely of hotels.

A city with a population of more than 750,000 and less than 2 million (Austin and San Antonio) would be authorized to establish a public improvement district in an area solely composed of hotels with at least 100 rooms ordinarily used for sleeping.

A city with a population of more than 325,000 and less than 625,000 (Arlington) would be authorized to establish a public improvement district in an area solely composed of hotels with at least 75 rooms ordinarily used for sleeping.

This 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, 2015.