

## **BILL ANALYSIS**

Senate Research Center

S.B. 1719  
By: Rodríguez  
Economic Development  
4/8/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, cities with populations in excess of 1.5 million have an economic development tool that can be used at the discretion of the local authority that authorizes the use of eligible taxable proceeds generated from a new or rehabilitated hotel development near a convention center to develop, build, and rehabilitate the hotel project.

S.B. 1712 grants border cities with populations in excess of 500,000 the same economic development tool and amends the Government Code definition of "qualified hotel project" to include a municipality with a population greater than 500,000 along the United States-Mexico border. The bill also limits "qualified hotel project" to those planned within 3,000 feet of a municipally-owned convention center.

S.B. 1712 amends the Tax Code to reflect the 3,000 feet radius requirement for the definition of "convention center facilities" or "convention center complex." This applies to hotel projects planned in municipalities along the United States-Mexico border with a population of more than 500,000. The bill also amends the Tax Code to reflect a municipality's ability to pledge the revenue derived from the tax imposed for the payment of bonds, if that municipality is along the United States-Mexico border and has a population in excess of 500,000.

As proposed, S.B. 1719 amends current law relating to the construction, remodeling, or rehabilitation of certain 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 2303.003(8), Government Code, to redefine "qualified hotel project" as a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created under the Texas Transportation Corporation Act, Chapter 431 (Texas Transportation Corporation Act), Transportation Code, that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States.

SECTION 2. Amends Section 2303.5055(b), Government Code, to authorize a municipality with a population of 1,500,000 or more or a municipality having a population of more than 500,000 and that borders the United Mexican States to agree to guarantee from hotel occupancy taxes the bonds of other obligations of a municipally sponsored local government corporation created under the Texas Transportation Corporation Act, Chapter 431, Transportation Code, rather than Article 15281, V.T.C.S., that were issued or incurred to pay the cost of construction, remodeling, or rehabilitation of a qualified hotel project.

SECTION 3. Amends Section 351.001(2), Tax Code, to redefine "convention center facilities" or "convention center complex" to provide that the term also includes a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored

local government corporation created under Chapter 431, Transportation Code, that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States.

SECTION 4. Amends Section 351.102(a), Tax Code, to authorize a municipality, subject to the limitations provided by this subchapter, to pledge the revenue derived from the tax imposed under this chapter for the payment of bonds that are issued under Section 1504.002(a) (relating to authorizing the governing body to issue revenue bonds to provide money), Government Code, for one or more of the purposes provided by Section 351.101 (Use of Tax Revenue) or, in the case of a municipality of 1,500,000 or more or a municipality having a population of more than 500,000 and that borders the United Mexican States, for the payment of principal of or interest on bonds or other obligations of a municipally sponsored local government corporation created under Chapter 431, Transportation Code, that were issued to pay the cost of the acquisition and construction of a convention center hotel or the cost of acquisition, remodeling, or rehabilitation of a historic hotel structure; provided, however, such pledge is authorized to only be that portion of the tax collected at such hotel.

SECTION 5. Effective date: upon passage or September 1, 2013.