

BILL ANALYSIS

Senate Research Center
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H.B. 1136
By: Price et al. (Nichols)
Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 1136 allows any municipality in Texas to create a tourism public improvement district (TPID) composed entirely of hotels in the city and funded solely with a self-assessed fee. TPIDs were first established in 2011 with the creation of the city of Dallas TPID. Within two years of creation, the Dallas Convention and Visitors Bureau almost doubled its closure rate to secure conventions and increased occupancy levels of hotels across the city. These increases in hotel occupancy also traffic in an increase in tourism and economic activity at nearby businesses. Since the creation of the Dallas TPID, the legislature has extended the authority to several municipalities and there are additional legislative proposals to extend the authority to other cities this session.

H.B. 1136 would not affect current cities that already have a TPID in place and would remove the need for future amendments to add additional brackets to the section. It is permissive and would not require participation.

H.B. 1136 amends current law relating to territory included in a common characteristic or use project in a public improvement district established by a municipality.

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 the heading to Section 372.0035, Local Government Code, to read as follows:

Sec. 372.0035. COMMON CHARACTERISTIC OR USE FOR PROJECTS IN MUNICIPALITIES.

SECTION 2. Amends Section 372.0035, Local Government Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Provides that this section applies only to a public improvement district established by a municipality under this subchapter (Public Improvement Districts) and solely composed of territory in which the only businesses are one or more hotels, rather than providing that this section applies only to a municipality that meets certain population brackets and a public improvement district established under this subchapter and solely composed of territory in which the only business are hotels that meet certain criteria.

(e) Authorizes a district created after September 1, 2019, to undertake a project under this section only for advertising, promotion, or business recruitment, as authorized by Section 372.003(b)(13) (relating to authorizing of a public improvement project to include special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement), directly related to hotels.

SECTION 3. Amends Section 372.005(b-1), Local Government Code, as follows:

(b-1) Provides that, notwithstanding Subsection (b) (relating to providing that a petition is sufficient if signed by certain persons), a petition for the establishment of a public improvement district described by Section 372.0035(a) (relating to the application of this section (Common Characteristic or Use for Projects in Certain Municipalities) to certain municipalities), rather than Section 372.0035(a)(2) (relating to a public improvement district established under this chapter and solely composed of territory in which the only businesses are hotels that fit certain criteria), is sufficient only if signed by record owners of taxable real property liable for assessment under the proposal who constitute a certain enumerated criteria.

SECTION 4. Amends Subchapter A, Chapter 372, Local Government Code, by adding Section 372.0121, as follows:

Sec. 372.0121. INCLUSION OF AREA IN COMMON CHARACTERISTIC PUBLIC IMPROVEMENT DISTRICT. Authorizes the governing body of a municipality, notwithstanding Section 372.012 (Area of District) or any other requirement in this chapter to include property in a public improvement district described by Section 372.0035 if:

(1) the property is a hotel; and

(2) the property could have been included in the district without violating Section 372.005(b-1) (relating to providing that, notwithstanding Subsection (b), a petition for the establishment of a public improvement district described by Section 372.0035(a)(2) is sufficient only if signed by record owners of taxable real property liable for assessment under the proposal who meet certain conditions) when the district was created regardless of whether the record owners of the property signed the original petition.

SECTION 5. Effective date: upon passage or September 1, 2019.