

## **BILL ANALYSIS**

C.S.H.B. 2142  
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Government Reform  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, cities with populations in excess of 1,500,000 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.

H.B. 2142 authorizes border cities with populations in excess of 500,000 to have the same economic development tool. The radius of 3,000 feet targets areas within a reasonable distance of convention center in a border city like El Paso, Texas.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2142 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 municipality-owned convention center. The bill amends the Government Code to include cities with 500,000 population along the United States-Mexico border. C.S.H.B. 2142 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.

### **EFFECTIVE DATE**

If this Act does not receive the votes necessary for immediate effect, this Act takes effect September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

Under H.B. 2142, "shops, parking facilities, and any other facilities ancillary to the hotel" were listed under the definition of "qualified hotel project." C.S.H.B. 2142 removes those items from eligibility. Thus, because the definition of "qualified hotel project" no longer includes those items, they will not benefit from the funds generated by hotel occupancy use taxes.