

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 1, 2005

TO: Honorable Carlos Uresti, Chair, House Committee on Government Reform

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2142 by Pickett (Relating to the construction, remodeling, or rehabilitation of certain hotel projects.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 2303 of the Government Code and Chapter 351 of the Tax Code, relating to the construction, remodeling, or rehabilitation of certain hotel projects.

The bill would amend Government Code Section 2303.003(8) to expand the definition of a "qualified hotel project" to include a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created by the Texas Transportation Corporation Act. The proposed hotel would have to be within 3,000 feet of the property line of a convention center owned by a municipality that borders Mexico and has a population of more than 500,000. The project would include any shops, parking facilities, or any other facilities ancillary to the hotel.

The bill would amend Section 2303.5055(b) to allow municipalities that border Mexico and have a population of more than 500,000 people to pledge municipal hotel occupancy tax revenue for bonds issued to pay the cost of construction, remodeling, or rehabilitation of a qualified hotel project.

The bill would amend Tax Code Section 351.001(2) to expand the definition of the term "convention center facilities" or "convention center complex" to include a hotel proposed to be constructed, remodeled, or rehabilitated if it is within 3,000 feet of the property line of a convention center owned by a municipality having more than 500,000 people and bordering Mexico. This will also include any shops, parking facilities, or any other facilities ancillary to the hotel.

The bill would amend Section 351.102(a) to allow municipalities that border Mexico and have a population of more than 500,000 to pledge municipal hotel occupancy tax revenue for certain bonds 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, subject to limitation.

The City of El Paso would meet the municipality criteria established under this bill.

The bill would have no effect on local revenues because it only allows the hotel occupancy tax received from these specific hotels to be spent on bonds.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, LB, WP, SD