

## **BILL ANALYSIS**

S.B. 1719  
By: Rodríguez  
Economic & Small Business Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Certain large cities currently have an economic development tool that can be used to authorize 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. Interested parties note a need to grant certain other cities with a smaller population the same economic development tool. As proposed, S.B. 1719 amends the Texas Enterprise Zone Act relating to the construction, remodeling, or rehabilitation of certain hotel projects.

### **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**

S.B. 1719 amends the Government Code to authorize 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 or other obligations of a municipally sponsored local government corporation created under the Texas Transportation Corporation Act that were issued or incurred to pay the cost of construction, remodeling, or rehabilitation of a qualified hotel project. The bill expands the definition of "qualified hotel project," for purposes of the Texas Enterprise Zone Act, to include 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 that is within 3,000 feet of the property line of a convention center owned by such a municipality.

S.B. 1719 amends the Tax Code to exclude qualified hotel projects, as defined by the bill, in such a municipality from the application of certain statutory provisions relating to sales tax refunds for enterprise projects and authorizes such a municipality to pledge revenue derived from the municipal hotel occupancy tax for the payment of bonds and other obligations issued to pay certain costs. The bill expands the definition of "convention center facilities" or "convention center complex," for purposes of statutory provisions relating to municipal hotel occupancy taxes, to include 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 that is within 3,000 feet of the property line of a convention center owned by such a municipality.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.