

BILL ANALYSIS

Senate Research Center
87R24207 SRA-D

C.S.S.B. 2181
By: West
Natural Resources & Economic Development
5/4/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Ever since the 2004 Hargreaves Plan for Fair Park was approved by the city council, and through all the intervening updates and new plans, there has never been a solution to how to come up with the \$180 to \$220 million that would be required to do all the recommended renovations, restorations and enhancements needed to return this state historical treasure to its former glory. One possible mechanism for funding the enhancements would be Chapter 334 of Texas Local Government Code, also known as "The Brimer Bill."

Interested parties contend current language in Chapter 334 of the Local Government Code prohibits the financing of certain sports and community venue projects within municipally owned parks in the City of Dallas. Chapter 334 of the Local Government Code permits the use of up to two percent taxes on hotels and up to five percent on vehicle rentals to be used for "sports and community venue" projects that have been approved through a municipal election. However, the financing of a venue project that is "in an area or facility that is part of a municipal park and recreation system" does not qualify.

S.B. 2181 amends Chapter 334 of the Local Government Code to allow the financing of certain venue projects located within Dallas's Fair Park.

The revised committee substitute is a compromise between the hotel industry and the City of Dallas. This substitute adds the terms "exhibit hall" and "music hall," to be more inclusive of other buildings within Fair Park which could be remodeled. The substitute also creates a designation for the funds which establishes a 20/80 split which predetermines how the funds can be used for the convention center and Fair Park. Lastly, the substitute creates a more narrow scope which brackets the bill specifically for Fair Park and not any other part of the state.

The City of Dallas is in support of the current legislation alongside the hotel industry and we are not aware who may be opposed.

C.S.S.B. 2181 amends current law relating to the use of hotel occupancy tax revenue by certain municipalities for certain 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 334.2515, Local Government Code, as follows:

Sec. 334.2515. APPLICATION. Provides that Subchapter H (Hotel Occupancy Taxes) does not apply to the financing of certain venue projects, except as provided by certain sections, including Section 334.2518.

SECTION 2. Amends Subchapter H, Chapter 334, Local Government Code, by adding Section 334.2518, as follows:

Sec. 334.2518. USE OF REVENUE BY CERTAIN MUNICIPALITIES FOR CERTAIN PARK FACILITIES. (a) Provides that this section applies only to a municipality that has a population of more than 1 million but less than 1.3 million.

(b) Authorizes a municipality to which this section applies, subject to Subsection (c), to acquire, construct, improve, and equip a venue project that is an amphitheater, arena, exhibit hall, music hall, or stadium located within a municipally owned park that is at least 100 acres in size and all or part of which is designated as a national historic landmark district, if the applicable type of facility is specifically listed in the ballot proposition for a venue project for the expansion of an existing convention center facility that primarily hosts conventions and has at least one million square feet of meeting space.

(c) Prohibits a municipality from spending more than 20 percent of the revenue from the convention center facility expansion venue project described by Subsection (b) for costs related to an amphitheater, arena, exhibit hall, music hall, or stadium located within a municipally owned park.

SECTION 3. Effective date: September 1, 2021.