

BILL ANALYSIS

C.S.S.B. 1057
By: Whitmire
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Legislature passed S.B. 748 in 2013, creating Section 351.1015, Tax Code, which authorized a municipality with a population of at least 650,000 but less than 750,000 to use certain tax revenue to fund a convention center facility, a multipurpose arena or venue, and related infrastructure. The bill allowed such a municipality, for a period of up to 30 years, to receive the incremental growth in state sales and use taxes, state hotel occupancy taxes, and state mixed beverage taxes collected by or at hotels within the project financing zone, less the amount distributed in the base year the zone is designated.

Houston needs to modernize and expand the George R. Brown Convention Center to remain competitive and attract large conventions, such as the 2028 Republican National Committee Convention. Extending the authority currently afforded under Section 351.1015, Tax Code, to Houston would allow the city to expand its convention center and provide momentum to Houston's bids for large conventions.

C.S.S.B. 1057 seeks to make Section 351.1015 applicable also to Houston, as well as to Houston First Corporation, which is the convention and marketing local government corporation for the city.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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.S.B. 1057 amends the Tax Code to revise provisions authorizing certain municipalities to use municipal hotel occupancy tax revenue to fund a qualified convention center facility or multipurpose arena or sports or community venue project, to pledge revenue for the payment of related obligations, and to receive for a certain period the incremental growth in state sales and use taxes, state hotel occupancy taxes, and state mixed beverage taxes collected by or at hotels within the project financing zone. Specifically, the bill does the following:

- extends that authorization to a municipality with a population of at least two million; and
- establishes that, for these purposes, a local government corporation is considered to be a municipality and may act as one if that corporation is authorized to collect a municipal hotel occupancy tax and is located in a county with a population of 3.3 million or more.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1057 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute revises the provision in the engrossed establishing the criteria that a local government corporation must meet to qualify under the bill to act as a municipality by omitting the criterion that the corporation operate a convention center facility located not more than three miles from the city hall of the municipality in which the convention center facility is located.