

BILL ANALYSIS

S.B. 2220
By: Menéndez
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2013, the 83rd Legislature, Regular Session, enacted legislation that authorized certain municipalities to designate a three-mile project financing zone centered around a convention center or arena in which certain hotel-associated revenue generated within the zone would be rebated to the municipality for a 30-year period to pay for improvements to the project. This law has allowed the cities of Fort Worth and Dallas to build the Dickies Arena and fund improvements to the Kay Bailey Hutchison Convention Center. Texas has a handful of large city-owned convention centers and arenas that help drive the tourism and travel industries in Texas, and expanding the eligibility for project financing zones would help pay for renovations for these economic drivers.

S.B. 2220 seeks to extend the authority to designate a project financing zone to a municipality that contains more than 70 percent of the population of a county with a population of 1.5 million or more and to authorize local government corporations to act as a municipality for the purpose of that authority. This bill would make the City of San Antonio eligible to designate a project financing zone, which could provide increased revenue for the renovation of the Henry B. Gonzalez Convention Center and the Alamodome that serve as important tourist destinations.

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

S.B. 2220 amends the Tax Code to include a municipality that contains more than 70 percent of the population of a county with a population of 1.5 million or more among the municipalities authorized to designate a project financing zone for a qualified project, to use revenue from the municipal hotel occupancy tax to fund the project, and to pledge revenue derived from that tax or other eligible tax proceeds from a hotel located in the project financing zone for the payment of obligations issued or incurred to acquire, lease, construct, improve, enlarge, and equip the project. The bill authorizes a local government corporation to act as a municipality, and establishes that a local government corporation is considered to be a municipality, for purposes of statutory provisions providing for that project financing zone authority. The bill expands one of the project types considered a "qualified project" for purposes of those provisions from a convention center facility to a convention center facility or venue and any related infrastructure.

EFFECTIVE DATE

September 1, 2023.