

BILL ANALYSIS

Senate Research Center

S.B. 2220
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Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2013, the 83rd Legislature passed S.B. 748 that establishes the "Project Finance Zone" program, which allows for municipalities to designate a three-mile zone centered around a convention center or arena in which growth in state hotel taxes collected within the zone would be rebated to the municipality for a 30-year period to pay for improvements to a convention center or arena. This provision 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 finance zones would help pay for renovations for these economic drivers.

S.B. 2220 expands which municipalities are eligible to designate a project finance zone by inserting language that adds municipalities with a population of at least 1,400,000 and a convention center with at least 40,000 useable square feet. The bill also adds language that authorizes local government corporations to act as a municipality for the purpose of this bill.

The bill would allow for major cities like San Antonio and Houston to become eligible for project finance zones. The City of San Antonio could use the increased revenue to renovate the Henry B. Gonzalez Convention Center and the Alamodome that serve as important tourist destinations.

As proposed, S.B. 2220 amends current law relating to the authority of certain municipalities and local government corporations to use certain tax revenue for certain qualified 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 351.1015, Tax Code, by amending Subsection (a)(5) to redefine "qualified project."

SECTION 2. Amends Section 351.1015, Tax Code, by amending Subsection (b) and adding Subsection (j), as follows:

(b) Provides that Section 351.1015 (Certain Qualified Projects) applies only to a qualified project located in a municipality with a population of at least 650,000 but less than 750,000 according to the most recent federal decennial census or to a municipality with a population of at least 1,400,000 in which is located a convention center with at least 400,000 useable square feet.

(j) Provides that a local government corporation is authorized to act as a municipality under this section and is considered to be a municipality for purposes of this section. Authorizes an action a municipality is required to take by ordinance or order under this section to be taken by order or resolution of the corporation.

SECTION 3. Effective date: September 1, 2023.