

**HOUSE OF REPRESENTATIVES
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Pensions, Investments & Financial Services
For HB 4082

Compiled on: Wednesday, April 5, 2023 9:01 PM

Note: Comments received by the committee reflect only the view of the individual(s) submitting the comment, who retain sole responsibility for the content of the comment. Neither the committee nor the Texas House of Representatives takes a position on the views expressed in any comment. The committee compiles the comments received for informational purposes only and does not exercise any editorial control over comments.

Hearing Date: April 5, 2023 8:00 AM

Jennifer Brown, Director of Fiscal Projects
City of Sugar Land
Sugar Land, TX

As the Director of Fiscal Projects for the City of Sugar Land and Executive Board Member for the Government Finance Officers Association of the US and Canada (GFOA), I am writing to express my concern regarding HB 4082 by Goldman. While I understand the need to ensure responsible use of public funds, I believe that the bill's proposed restrictions on the use of certificates of obligation (COs) would have unintended consequences that could negatively impact our city.

In particular, we are concerned about the provision of the bill that would prohibit the use of COs for hotels and convention centers. As an economic development tool, hotels and convention centers are critical components of our city's tourism industry, which generates significant revenue and jobs for our local economy. The use of COs for hotels and convention centers is not a frivolous use of public funds. In fact, these projects are often self-funded through revenue sources such as the hotel occupancy tax (HOT) and other dedicated funding streams. However, in our case these revenue streams are not sufficient to support the issuance of revenue bonds, which require a minimum of 1.25 times coverage of annual debt service by the pledged revenue stream. By utilizing COs with a pledge of hotel occupancy taxes, we are able to leverage these revenue sources to fund important public projects that have significant economic benefits for our community.

In my experience as a past member of the GFOA Committee on Governmental Debt Management and current GFOA Executive Board Member, I have found that issuers are seeking lowest cost financing options for projects. COs are one of those unique options in Texas, a tool which already has significant legal restrictions in place in their use. Therefore, I urge you to reconsider the provisions of HB 4082 that would further restrict the use of COs for self-funded public projects such as hotels and convention centers.