

BILL ANALYSIS

C.S.H.B. 2370
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the City of Harlingen needs to find alternative means to finance and pay the debt service for a convention center in order to liberate resources that the city could put to better use for basic services and economic development projects. C.S.H.B. 2370 seeks to allow the City of Harlingen to use hotel occupancy tax revenue to pay debt service on a convention center.

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.H.B. 2370 amends the Local Government Code to authorize a municipality that has a population of at least 70,000 but not more than 180,000 and that is located in a county that borders the United Mexican States and the Gulf of Mexico to hold an election on the question of approving and implementing a resolution to do the following:

- authorize the municipality to plan, acquire, establish, develop, construct, or renovate a convention center and related infrastructure as part of an existing or previously approved sports and community venue project;
- impose a hotel occupancy tax under statutory provisions relating to certain sports and community venues capped at two percent of the cost of a room; and
- authorize the municipality to finance, operate, and maintain the venue project using the revenue generated from any taxes the municipality imposes under those provisions.

The bill restricts the imposition of such a hotel occupancy tax by the municipality to financing a convention center constructed before January 1, 2023. The bill establishes that the municipality's authority to impose the tax expires on the earlier of either the date the debt issued for the convention center is repaid or January 1, 2054.

C.S.H.B. 2370 sets its provisions to expire January 1, 2054.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

C.S.H.B. 2370 differs from the introduced only by including a Texas Legislative Council enrolling draft number in the footer.