

BILL ANALYSIS

H.B. 2974
By: Craddick
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, certain municipalities are authorized to use municipal hotel occupancy tax revenue to finance the construction of hotel and convention center projects and are eligible to receive state tax rebates related to those projects. However, eligibility is restricted to municipalities that meet specific population criteria. H.B. 2974 expands these criteria to include a municipality with a population of 130,000 or more but less than 135,000, at least part of which is located in a county with a population of less than 135,000.

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

H.B. 2974 amends the Tax Code to exempt a municipality with a population of 130,000 or more but less than 135,000, at least part of which is located in a county with a population of less than 135,000, from the applicability of provisions limiting to one the number of qualified convention center or hotel projects for which a municipality may pledge or commit certain tax revenue for the payment of bonds or other obligations related to the qualified project and prohibiting a municipality from pledging or committing revenue for any additional qualified project.

H.B. 2974 entitles such a municipality to receive, in addition to its entitlement to certain tax revenue related to a qualified project, the sales and use tax and, if applicable, the mixed beverage tax revenue derived from qualifying restaurants, bars, retail establishments, and swimming pools and swimming facilities owned or operated by the related qualified hotel that are located in the municipality.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.