

BILL ANALYSIS

C.S.H.B. 5562
By: Bowers
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the qualified hotel project program provides economic development tools for certain cities to develop convention center hotels by allowing eligible cities to receive rebated state hotel occupancy tax generated by qualified projects to support major infrastructure developments that would otherwise be financially unfeasible. The bill author has further informed the committee that the program has continually expanded through bracketed population and geographic criteria but that, despite these expansions, the City of Garland, which has a unique potential for tourism-driven economic growth, remains excluded due to the narrow eligibility criteria specified by the statute. C.S.H.B. 5562 seeks to address Garland's exclusion from the program by making a city eligible for the program if it has a population of more than 240,000 but less than 270,000 and borders a man-made lake that has a surface area of more than 20,000 acres.

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. 5562 amends the Tax Code to include among the municipalities entitled to receive certain tax revenue derived from a hotel and convention center project and authorized to pledge or commit certain tax revenue for the payment of obligations related to the project a municipality with a population of more than 240,000 but less than 270,000 that borders a man-made lake that has a surface area of more than 20,000 acres.

EFFECTIVE DATE

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

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5562 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The introduced included a municipality bordering the applicable lake that has a population of 240,000 or more, whereas the substitute includes a municipality bordering the applicable lake that has a population of more than 240,000 but less than 270,000.

The introduced entitled the municipality to receive the sales and use tax revenue 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, whereas the substitute does not include that provision.