

BILL ANALYSIS

Senate Research Center

S.B. 529
By: Sparks
Economic Development
6/4/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill increases the population threshold to qualify for the Texas Qualified Hotel Project and Convention Center Program from 110,000 or more to 130,000 or more.

Chapter 351 of the Tax Code supports economic growth by making hotel and convention center development feasible for over 60 eligible communities across the state. Midland currently qualifies under Section 351.156, but recent rapid population growth puts future eligibility at risk. With Midland already surpassing the 135,000 population threshold according to recent annual census estimates, the city is likely to lose eligibility after the next decennial census.

According to a 2020 report, since its inception, the program has generated over 6,000 jobs and \$2.06 billion in capital investment across Texas. Midland, a vital hub in West Texas, plays a leading role in the state's oil and gas industry. In April 2023, Midland County produced over 17 million barrels of oil, ranking fourth nationally and second in Texas. In 2022, the oil and gas sector contributed \$26.3 billion in state and local taxes, funding critical services like education, infrastructure, and emergency response. As the energy industry thrives, Midland grows. With a nearly 17 percent population increase from 2012 to 2022 and a three percent rise from 2022 to 2023, Midland is the seventh fastest-growing metropolitan area in the U.S., solidifying its status as a commercial center in West Texas.

This bill amends Section 351.157 of the Tax Code to expand its applicability by adding a new Subsection (b-1) that extends the provisions of Section 351.157 to include municipalities that meet the criteria in Section 351.152(12) and have a population of 130,000 or more. In essence, the bill ensures that larger municipalities meeting the specified description in Section 351.152(12) are included under the rules or benefits provided in Section 351.157.

As proposed, S.B. 529 amends current law relating to the entitlement of certain municipalities to receive and use tax revenue from certain establishments located near a hotel and convention center project.

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 351.155, Tax Code, by adding Subsection (c-1), as follows:

(c-1) Provides that this subsection applies only to a municipality described by Section 351.152(12) (relating to municipalities meeting certain population requirements) that has a population of 130,000 or more. Provides that a municipality to which this subsection applies, notwithstanding Subsection (c) (relating to providing that a municipality is authorized to pledge or commit certain revenue for only one qualified project), is authorized to pledge or commit revenue under Section 351.155 (Pledge or Commitment of Certain Tax Revenue For Obligations For Qualified Project) for only two qualified projects.

SECTION 2. Amends Section 351.157, Tax Code, by adding Subsection (b-1), as follows:

(b-1) Provides that, in addition to the municipalities described by Subsection (b) (relating to municipalities to which Section 351.157 (Additional Entitlement for Certain Municipalities) applies), this section applies to a municipality described by Section 351.155(c-1).

SECTION 3. Effective date: upon passage or September 1, 2025.