

**BILL ANALYSIS**

Senate Research Center  
89R25705 CJD-F

C.S.S.B. 1250  
By: Hinojosa, Juan "Chuy"  
Economic Development  
4/24/2025  
Committee Report (Substituted)

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2023, the Texas Legislature authorized the City of Corpus Christi to create a project finance zone (PFZ) to help fund improvements at and around the American Bank Center Convention Center. A PFZ is a city-designated area surrounding a qualified project, which may include a convention center facility, multipurpose arena, or venue. The zone covers a three-mile radius (equivalent to 28.27 square miles) from the center of the designated facility.

As of 2023, the only cities authorized to designate PFZs are Fort Worth, Dallas, Houston, Austin, San Antonio, and Corpus Christi. Cities receive incremental hotel-associated revenues from hotels located within the three-mile radius for a 30-year period. Any changes to the geographic boundaries of a PFZ require amendments to the PFZ statute.

On December 10, 2024, the Corpus Christi City Council took action to create Corpus Christi PFZ #1, centered on the American Bank Center and covering a three-mile radius. However, unlike the five other cities authorized to establish a PFZ, 56.74 percent of Corpus Christi's PFZ #1 (16.04 square miles) is located in the Gulf of Mexico, where no hotels exist.

S.B. 1250 proposes a modification to the PFZ statute to put Corpus Christi on equal footing with the other five cities that have PFZ authorization. The bill would adjust the PFZ boundaries to exclude water and include additional land, maintaining the three-mile radius equivalent (28.27 square miles). The purpose of this change is to maximize land coverage within the zone, capturing more hotels located along key commercial corridors such as I-37, TX-358, and TX-286.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1250 amends current law relating to the definition of a project financing zone for the purposes of certain municipalities that use certain tax revenue to fund convention center facilities, multipurpose arenas, venues, and related infrastructure.

**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 351.1015(a)(4), Tax Code, as follows:

- (4) Provides that "project financing zone" means an area within a municipality:
  - (A) makes no changes to this paragraph;
  - (B) the boundaries of which are:
    - (i) creates this subparagraph from existing text and makes a nonsubstantive change; and

(ii) if designated by a municipality described by Section 351.001(7)(B) (relating to defining "eligible central municipality") on or before December 31, 2024, a contiguous geographic area the total area of which is less than or equal to the maximum area allowed under Subparagraph (i) (relating to defining "project financing zone" as an area within a municipality that meets certain criteria, including having boundaries within a three-mile radius of the center of a qualified project) that contains the qualified project;

(C) the designation of which specifies:

(i) for a zone the boundaries of which are prescribed by Paragraph (B)(i), the longitude and latitude of the center of the qualified project; or

(ii) for a zone the boundaries of which are prescribed by Paragraph (B)(ii), the exact boundaries of the zone; and

(D) makes no changes to this paragraph.

SECTION 2. Effective date: September 1, 2025.