

BILL ANALYSIS

H.B. 3546
By: Cortez
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Common characteristic public improvement districts were first authorized several years ago for certain municipalities and then were later authorized for all municipalities. These districts are composed solely of hotels with district proceeds being used for marketing and sales initiatives to grow local hotel activity and tourism. The districts that have been created so far have been successful in these areas and are increasingly vital to the recovery and growth of the Texas tourism industry. However, clarification is needed regarding a municipality's authority to add new hotels to an existing district. H.B. 3546 seeks to address this issue by clarifying the conditions under which the governing body of a municipality may include a hotel in a common characteristic public improvement district.

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. 3546 amends the Local Government Code to clarify the conditions under which the governing body of a municipality may include property that is a hotel in a common characteristic public improvement district by authorizing that inclusion after the district's establishment if a sufficient number of the record owners of the real property currently included and proposed to be included in the district have consented to be included in the district by signing the original petition to establish the district or by signing a petition or written consent to include property in the district. That condition replaces the condition that the property could have been included in the district without violating petition requirements for the establishment of the district when the district was created regardless of whether the record owners of the property signed the original petition.

H.B. 3546 establishes that the number of consenting record owners is sufficient if the record owners own more than 60 percent of appraised value of taxable real property liable for assessment in the district, as determined by the current appraisal roll of the appraisal district in which the property is located, and qualify as follows:

- the record owners constitute more than 60 percent of all record owners of taxable real property liable for assessment in the district; or
- the record owners own, in aggregate, more than 60 percent of the area of all taxable real property liable for assessment in the district.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.