
SUBJECT: City authority to add to certain public improvement districts

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 7 ayes — Cortez, Holland, Bernal, Campos, Jarvis Johnson, Minjarez, Slaton

1 nay — Gates

1 absent — Morales Shaw

WITNESSES: For — Scott Joslove, Texas Hotel Association; (*Registered, but did not testify*: Allison Greer Francis, CHCS; Guadalupe Cuellar, City of El Paso; Jeff Coyle, City of San Antonio)

Against — None

BACKGROUND: Local Government Code sec. 372.0035 allows certain municipalities to undertake projects that confer a special benefit on areas that share a common characteristic or use in public improvement districts composed only of hotels.

It has been suggested that clarification is needed regarding municipal authority to add new hotels to an existing common characteristic public improvement district.

DIGEST: HB 3546 would allow the governing body of a municipality to add hotel property to an existing common characteristic public improvement district if a sufficient number of the record owners of the real property had consented to be included by signing the original petition to establish the district or by signing a petition or written consent to include the property in the district.

The number of consenting owners would be considered sufficient if the record owners owned more than 60 percent of the appraised value of taxable real property liable for assessment in the district and:

- constituted more than 60 percent of all record owners of such property; or
- owned, in aggregate, more than 60 percent of the area of such property.

These requirements would replace the requirement that the property could have been included in the district without violating the requirements of the original petition to create the district regardless of whether the record owners of the property signed the original petition.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.