

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 5, 2003

TO: Honorable Ron Wilson, Chair, House Committee on Ways & Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1827 by Casteel (Relating to the allocation of revenue from the state hotel tax for certain purposes in certain municipalities located in counties in a park and recreation district.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1827, Committee Report 1st House, Substituted: a negative impact of (\$334,000) through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$159,000)
2005	(\$175,000)
2006	(\$178,000)
2007	(\$184,000)
2008	(\$192,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from Eligible Municipalities
2004	(\$159,000)	\$159,000
2005	(\$175,000)	\$175,000
2006	(\$178,000)	\$178,000
2007	(\$184,000)	\$184,000
2008	(\$192,000)	\$192,000

Fiscal Analysis

The bill would amend Chapter 156 of the Tax Code, relating to the allocation of certain revenue from the state hotel occupancy tax.

The bill would require the Comptroller to compute and issue quarterly warrants equivalent to a portion of the state hotel occupancy tax collections, computed at a rate of 1 percent, from certain municipalities located in counties in which a park and recreation district had been created back to those municipalities. To qualify, a municipality would have to a population of more than 35,000.

The Comptroller would be required to make the computation and issue the warrants no later than the last day of the month following a calendar quarter.

A municipality that received funds under this bill could only use the money to clean and maintain rivers within its borders.

The bill would take effect October 1, 2003.

Methodology

Based on the bill's eligibility requirements, and assuming Comal County continues to have a district under Chapter 324 of the Local Government Code, the municipality of New Braunfels would be the only city currently eligible to receive payments of state hotel tax revenues to be used to clean and maintain rivers within its borders.

Data on taxable hotel revenues from New Braunfels were gathered from Comptroller tax files. Taxable revenues were multiplied by the one percent rate required to be returned to the municipality to determine the loss to General Revenue Fund 0001 and the gain to the municipality of New Braunfels.

Local Government Impact

The fiscal impact to local government is illustrated in the above table.

Source Agencies: 304 Comptroller of Public Accounts

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