

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 22, 2003

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2076 by Casteel (Relating to the hotel occupancy tax imposed by certain counties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2076, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>County of Bandera</i>
2004	\$22,000
2005	\$22,000
2006	\$23,000
2007	\$23,000
2008	\$24,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code to allow a county imposing a tax under Section 352.002(a)(5) to use the county hotel occupancy tax, in addition to other authorized purposes, to acquire a site for and constructing and improving a visitor information center.

The bill would increase the maximum population required for a county under Section 352.002(a)(5) to impose a county hotel occupancy tax; and it would specify that the county hotel tax could not exceed seven percent in an area of the county not within a municipality that imposes a municipal hotel occupancy tax, and that it could not exceed four percent in an area of the county within a municipality that imposes a municipal hotel occupancy tax.

The bill would take effect September 1, 2003.

Methodology

Under current law, Bandera County no longer qualifies to impose a county hotel occupancy tax under 352.002(a)(5) because its population has exceeded the maximum of 17,500. The bill would increase the maximum population to 30,000, thereby allowing Bandera County to keep its eligibility.

Bandera County imposes a county hotel occupancy tax of six percent in areas located outside of a municipality that imposes a municipal occupancy tax, and a rate of three percent in areas located within a municipality that imposes a municipal occupancy tax.

The bill would authorize Bandera County to impose a county hotel occupancy tax of seven percent in areas located outside of a municipality that imposes a municipal occupancy tax and to impose a rate of four percent in areas located within a municipality that imposes a municipal occupancy tax.

The city of Bandera is the only municipality in Bandera County that imposes a municipal hotel occupancy tax.

Data on taxable hotel revenues from municipalities within Bandera County were gathered from Comptroller tax files. Revenues were multiplied by the one percent change in the rate for the areas within and not within a municipality imposing the hotel occupancy tax to determine the potential fiscal impact.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, WP, SD