

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 1, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2162 by McReynolds (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2162, As Engrossed: an impact of \$0 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	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>County of Tyler</i>
2004	\$27,000
2005	\$27,000
2006	\$28,000
2007	\$29,000
2008	\$30,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code to authorize a county having a population of no more than 21,000, bordering the Neches River, and in which there is located a national preserve, to impose a county hotel occupancy tax.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

Based on the bill's eligibility requirements, the county of Tyler would be the only additional county authorized to impose a county hotel occupancy tax.

Under current law, unless otherwise specified, a county that imposes a hotel occupancy tax may not

impose the tax at a rate that exceeds seven percent of the price paid for a room.

This analysis assumes the county of Tyler would impose the tax at a rate of seven percent.

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, DLBa, WP, SD