

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 9, 2003**

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

**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.), **Committee Report 1st House, Substituted**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB2162, Committee Report 1st House, Substituted: 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 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

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