

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: HB2322 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 HB2322, 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 Trinity</i>	Probable Revenue Gain/(Loss) from <i>County of San Jacinto</i>
2004	\$15,000	\$8,000
2005	\$15,000	\$8,000
2006	\$15,000	\$8,000
2007	\$16,000	\$8,000
2008	\$16,000	\$9,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code to authorize, by the adoption of an order or resolution, a county having a population of no more than 22,500 and bordering or containing a portion of Lake Livingston 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 counties of San Jacinto and Trinity would be the only additional counties 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 a rate that exceeds 7 percent of the price paid for a room.

This analysis assumes both the counties of San Jacinto and Trinity would adopt a county hotel occupancy 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, SD