

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 18, 2003

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2386** by Hill (Relating to the authority of certain municipalities or counties to impose a facility use tax to finance venue projects.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 334 of the Local Government Code, relating to a livestock facility use tax.

Under the bill, a county in which the majority of the population of two or more municipalities with a population of 300,000 or more are located, or a municipality in which the majority of the population is located in a county in which the majority of the population of two or more municipalities with a population of 300,000 or more are located, would be able to impose a facility use tax not to exceed \$20 per event on the use of a livestock stall or pen.

The county or municipality could only impose the tax if it issued bonds or other obligations for an approved sports and community venue, and the fee was authorized by order and approval of the majority of the registered voters in the county or municipality. The fee could only be imposed at an approved venue project for which the principal use was for rodeos, livestock shows, equestrian events, agricultural expositions, county fairs, or similar events.

The county or municipality could require the owner or lessee of a designated facility to collect the tax for the benefit of the county or municipality. The county or municipality could impose penalties for failing to keep records or to report when required. The county or municipality could allow a person who collected the tax to retain a percentage of the amount collected as reimbursement for the costs of collecting the tax.

Revenue from the livestock facility use tax would have to be deposited in the venue project fund of the county or municipality imposing the tax.

The bill would authorize a county or a municipality that had adopted a livestock facility use tax under this bill at a rate of less than \$20 to, by order and approval of the majority of the registered voters, increase the rate of the tax to a maximum of \$20.

A county or municipality could establish an exemption from the livestock facility use tax at a county junior livestock show.

This 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.

#### Local Government Impact

The bill would apply only to Tarrant County, or in the case of a municipal tax, any municipality in Tarrant County in which a majority of the population lies within the county. There would be an indeterminate revenue gain to the county or cities from the livestock facility use tax imposed by the

bill.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JK, WP, SD