

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

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

**May 12, 2003**

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

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

**IN RE: HB2961** by Krusee (Relating to the use of municipal hotel occupancy taxes by certain municipalities.), **As Engrossed**

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

The bill would amend Chapter 351 of the Tax Code to allow a municipality located in a county with a population of 250,000 or less to spend its municipal hotel occupancy tax revenue to cover certain expenses directly related to a sporting event.

Currently, a municipality located in a county with a population of 65,000 or less is authorized to spend its municipal hotel occupancy tax revenue to cover the expenses directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity.

The bill specifies how the largest municipality in a county that borders the Republic of Mexico and in which there is located a national park of more than 400,000 acres shall allocate its hotel occupancy tax revenue.

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.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

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