

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 2, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB234 by Fraser (Relating to the authority of certain counties bordering Lake Buchanan to impose a hotel occupancy tax.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB234, Committee Report 1st House, Substituted: 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 Burnet</i>
2004	\$101,000
2005	\$102,000
2006	\$104,000
2007	\$107,000
2008	\$112,000

Fiscal Analysis

The bill would amend Section 352.002(a) of the Tax Code to authorize a county that has a population of 34,000 or more and borders Lake Buchanan to, by the adoption of a resolution or an order, impose a hotel occupancy tax. The tax could not be imposed on a hotel located in a municipality in the county that currently imposes a municipal 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

Burnet County would be the only county authorized by the bill's provisions to impose a hotel occupancy tax. The municipalities of Burnet, Marble Falls, and Granite Shoals are located in Burnet County and impose a local hotel occupancy tax. Data on hotel occupancy tax revenues for Burnet

County and the municipalities of Burnet, Marble Falls, and Granite Shoals were obtained from Comptroller tax files. There would be no effect on state hotel occupancy tax revenues.

The above table assumes the maximum seven percent tax rate.

Local Government Impact

The impact to local government is illustrated in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, DLBa, WP, SD