

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 24, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3173 by Paxton (Relating to the use of municipal hotel occupancy tax revenue.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 351.101(a)(6) of the Tax Code, relating to the use of municipal hotel occupancy taxes.

The bill would allow any municipality that charges a hotel occupancy tax and that is located in a county with a population of 1,000,000 or less, instead of 290,000 or less, to use its municipal hotel occupancy tax for 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. Therefore, the bill would expand the number of municipalities that would qualify under the amended section.

The bill would only affect how monies from existing local revenue sources could be spent. Therefore, there would be no fiscal implications to the state or units of local government.

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, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, WP, SD