

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 5, 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: HB3351** by Dunnam (Relating to the authority of certain counties to impose a county hotel occupancy tax with voter approval.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3351, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Grimes County</i>	Probable Revenue Gain/(Loss) from <i>Robertson County</i>
2006	\$75,000	\$80,000
2007	\$78,000	\$83,000
2008	\$81,000	\$87,000
2009	\$85,000	\$91,000
2010	\$89,000	\$95,000

**Fiscal Analysis**

The bill would amend Chapter 352 of the Tax Code, relating to the authority of certain counties to impose a hotel occupancy tax.

The bill would authorize any county with a population of 50,000 or less and located on both the Brazos and Navasota Rivers to impose, subject to voter approval, a hotel occupancy tax. The tax rate could not exceed the rate authorized by Section 352.003(a).

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.

## **Methodology**

Two counties would meet the criteria established by this bill: Grimes County and Robertson County.

Currently, unless otherwise specified, counties authorized to impose a county hotel occupancy tax may not impose the tax at greater than seven percent. Data on taxable hotel receipts from Grimes County and Robertson County were gathered from Comptroller tax files. Receipts were multiplied by the seven percent rate to estimate the potential maximum gain if both counties were to impose the maximum tax rate.

## **Local Government Impact**

The fiscal impact to units of local government are illustrated in the above tables.

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

**LBB Staff:** JOB, WP, SD