LEGISLATIVE BUDGET BOARD Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 9, 2007

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

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

IN RE: HB1669 by Cook, Robby (Relating to the authority of certain counties to impose a county hotel occupancy tax and to the rate of the tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1669, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Burelson County
2008	\$26,000
2009	\$27,000
2010	\$28,000
2011	\$29,000
2012	\$30,000

Fiscal Analysis

The bill would amend Section 352.002 of the Tax Code to allow a county that has a population of 16,000 or more and borders the entire north shore of Lake Somerville to impose a county hotel occupancy tax, not exceeding a tax rate of 2 percent.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Methodology

According to the Comptroller of Public Accounts, the only county that would meet the criteria in the bill would be Burleson County.

For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from Burleson County from its tax files, and multiplied the receipts by 2 percent (the maximum tax rate authorized by

the bill) to determine the maximum potential gain to Burleson County.

The Comptroller reports that it is not known whether the county would approve a county hotel occupancy tax or at what rate. For the purpose of this estimate, it is assumed that the county would adopt a county hotel occupancy tax at the maximum rate authorized by the bill.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, EB