

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 16, 2007

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

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

IN RE: HB2058 by Miller (Relating to the authority to impose a county hotel occupancy tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2058, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.
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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 <i>Hamilton County</i>
2008	\$34,000
2009	\$35,000
2010	\$36,000
2011	\$38,000
2012	\$39,000

Fiscal Analysis

The bill would amend Section 352.002 of the Tax Code, relating to the authority of certain counties to impose a county hotel occupancy tax. Under the provisions of the bill, a county would be allowed to impose a county hotel occupancy tax if it has a population less than 9,000 and through which runs the Bosque, Leon, and Lampasas Rivers.

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, only Hamilton County would meet the criteria established under the provisions of the bill.

Currently, unless otherwise specified, counties authorized to impose a county hotel occupancy tax may

not impose the tax at a rate greater than 7 percent. For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from Hamilton County from its tax files, and multiplied the receipts by the 7 percent rate to estimate the potential maximum gain to the counties.

It is not known whether Hamilton 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 tables.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, EB, CT, SD