

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 8, 2007**

**TO:** Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

**IN RE: HB2438** by Truitt (Relating to the allocation of revenue from the municipal hotel occupancy tax for certain transportation systems.), **As Engrossed**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 351 of the Tax Code, relating to the allocation of revenue from the municipal hotel occupancy tax for certain transportation systems. Under the provisions of the bill, municipalities that impose a hotel occupancy tax would be allowed to use that revenue for a transportation system to transport tourists from hotels in and near the municipality to the following locations in or near the municipality: the commercial center, a convention center, other hotels, tourist attractions, and an airport serving that area. Furthermore, the bill would allow the system to be owned and operated by either the municipality or privately owned and operated but partially financed by the municipality.

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.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

Local municipalities would gain flexibility in the use of hotel occupancy taxes that they are currently authorized to collect.

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

**LBB Staff:** JOB, DB, CT, EB