

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 21, 2007

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

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.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

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 commercial center of the municipality. 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, CT, EB