

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 13, 2007

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

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

IN RE: HB2472 by Homer (Relating to the authority of certain counties to impose a county hotel occupancy tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2472, 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 <i>Delta County</i>	Probable Revenue Gain/(Loss) from <i>Franklin County</i>	Probable Revenue Gain/(Loss) from <i>Madison County</i>	Probable Revenue Gain/(Loss) from <i>Marion County</i>
2008	\$4,000	\$71,000	\$110,000	\$184,000
2009	\$4,000	\$73,000	\$115,000	\$191,000
2010	\$4,000	\$76,000	\$119,000	\$199,000
2011	\$4,000	\$79,000	\$123,000	\$206,000
2012	\$4,000	\$81,000	\$127,000	\$212,000

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Morris County</i>
2008	\$20,000
2009	\$21,000
2010	\$22,000
2011	\$23,000
2012	\$24,000

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 with a population of less than 20,000 and an area of less than 500 square miles would be allowed to impose a county hotel occupancy tax.

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 Delta, Franklin, Madison, Marion, and Morris counties 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 seven percent. For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from these counties from its tax files, and multiplied the receipts by the seven percent rate to estimate the potential maximum gain to the counties.

It is not known whether these counties would approve a county hotel occupancy tax or at what rate. For the purpose of this estimate it is assumed that the counties 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, CT, SD, EB