

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

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

**May 9, 2007**

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

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

**IN RE: HB3132** by Cook, Robby (Relating to the authority of certain counties to impose a county hotel occupancy tax.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3132, As Engrossed: 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>Brazos County</i>
2008	\$924,000
2009	\$960,000
2010	\$995,000
2011	\$1,031,000
2012	\$1,065,000

**Fiscal Analysis**

The bill would amend Section 352.002(a) of the Tax Code, relating to the authority of certain counties to impose a county hotel occupancy tax.

This bill would allow a county with a population of 150,000 or more and that is bordered by the Brazos and Navasota Rivers to impose a county hotel occupancy tax. The tax rate could not exceed 2 percent.

The bill requires specific uses for the revenues generated, the preparation of an annual report indicating the tourism/convention activity held at facilities that receive money from the tax, and the creation of an advisory committee to oversee the spending of the tax.

The hotel occupancy tax would expire September 1, 2015.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take

### **Methodology**

The only county that would meet the criteria in the bill would be Brazos County. The fiscal impact to the county cannot be estimated because it is not known whether or when Brazos County would approve a county hotel occupancy tax or at what rate.

For illustrative purposes only, data on taxable hotel receipts from Brazos County were gathered from Comptroller tax files. The receipts were then multiplied by the 2 percent maximum tax rate to estimate the maximum potential gain to Brazos County.

### **Local Government Impact**

The potential local government revenue gain is shown in the above tables.

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

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