

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

April 24, 2007

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

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

IN RE: HB3170 by Swinford (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3170, 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>Midland County</i>
2008	\$266,000
2009	\$277,000
2010	\$287,000
2011	\$297,000
2012	\$307,000

Fiscal Analysis

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

The bill would allow a county to impose a hotel occupancy tax if its entire border is located within 250 miles of New Mexico, it has a population of more than 100,000, it includes one municipality with a population of more than 90,000 but less than 120,000, and it includes within its borders an international airport.

The tax rate authorized by this bill for the qualifying county(s) could not exceed 1 percent of the price paid for a room.

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 effect September 1, 2007.

Methodology

The only county that would meet the criteria of this bill would be Midland County. It is not known whether Midland County would approve a county hotel occupancy tax or at what rate.

Data on taxable hotel receipts from Midland County were gathered from Comptroller tax files. Receipts were multiplied by the 1 percent maximum tax rate that would be allowed by the bill to estimate the potential maximum gain to Midland County.

Local Government Impact

The fiscal impact upon local units of government is shown in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT