

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 27, 2007

TO: Honorable Joe Deshotel, Chair, House Committee on Economic Development

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

IN RE: HB3497 by Keffer, Jim (Relating to economic impact studies and other financial issues affecting municipalities and counties that attempt to recruit or retain special events.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Section 398.004(b), Local Government Code, to add to what must be included in an economic impact study that must be submitted to the Comptroller of Public Accounts to be eligible to use a portion of the tax revenue generated by a special event to assist in paying expenses incurred in connection with the event. Added to the study must be the anticipated amount of increase in the tax receipts to the state from the taxes imposed under Title 5, Alcoholic Beverage Code, hotel occupancy taxes (Chapter 156, Tax Code), and mixed beverage taxes (Chapter 183, Tax Code).

The bill would amend Section 398.006(b), Local Government Code, to change the formula used in a special event plan regarding an estimate of the total amount of requested money to be deposited by the comptroller into a special event trust fund for the host community.

A host community whose economic impact study was certified by the comptroller on or after December 1, 2006 and before the effective date of the bill would be authorized to submit a supplemental economic impact study for consideration and certification by the comptroller. The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, JRO, DB