

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 30, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB595 by Wentworth (Relating to the allocation of revenue from the state hotel tax to clean and maintain rivers in certain municipalities located in counties in a park and recreation district.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB595, As Introduced: a negative impact of (\$89,000) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$44,000)
2009	(\$45,000)
2010	(\$47,000)
2011	(\$49,000)
2012	(\$50,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>HOTEL OCCUP TAX DEPOS ACC 5003</i>	Probable Revenue Gain/ (Loss) from <i>Eligible Counties</i>
2008	(\$40,333)	(\$3,667)	\$44,000
2009	(\$41,250)	(\$3,750)	\$45,000
2010	(\$43,083)	(\$3,917)	\$47,000
2011	(\$44,917)	(\$4,083)	\$49,000
2012	(\$45,833)	(\$4,167)	\$50,000

Fiscal Analysis

The bill would amend Chapter 156 of the Tax Code by adding a section relating to the allocation of revenue from the state hotel occupancy tax to clean and maintain rivers in certain municipalities located in a park and recreation district.

The bill would require the Comptroller of Public Accounts to issue to municipalities quarterly warrants equivalent to two percent of the amount of revenue derived from the collection of hotel occupancy taxes received from hotels located in a municipality with a population of less than 75,000 located in a county in which a park and recreation district had been created under Chapter 324 of the

Local Government Code.

The bill would take effect October 1, 2007.

Methodology

The Comptroller of Public Accounts reports that currently only Comal County has a park and recreation district under Chapter 324 of the Local Government Code. However, under the provisions of the bill the following four municipalities would appear to qualify for the allocation: Bulverde, Fair Oaks Ranch, New Braunfels, and Schertz.

Using data from its tax files on taxable hotel revenues from New Braunfels, Bulverde, Fair Oaks Ranch, and Schertz, the Comptroller multiplied total tax revenues for the subject municipalities by two percent to determine the loss to the General Revenue Fund 0001 and the Hotel Occupancy Tax for Economic Development Account 5003 and the gain to the municipalities.

Local Government Impact

The fiscal impact to local government is reflected in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, CT, EB