

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

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

**April 2, 2007**

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

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

**IN RE: SB1463** by Seliger (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for SB1463, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from <i>Midland County</i></b>
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 county 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. Under the provisions of the bill, the allowable rate for the county hotel occupancy tax would be capped at one percent.

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 Midland County would meet the criteria established under the provisions of the bill.

For the purpose of this estimate, the Comptroller gathered data on taxable hotel receipts from Midland County from its tax files, and multiplied the receipts by the one percent maximum tax rate to estimate the potential maximum gain to the county.

It is not known whether Midland County would approve a county hotel occupancy tax or at what rate. For the purpose of this estimate it is assumed that the county would adopt a county hotel occupancy tax at the maximum rate authorized by the bill.

The Comptroller proportionally estimated the fiscal impacts on units of local government.

### **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, DB, SD, EB