

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

IN RE: HB1139 by Brown, Fred (Relating to the authority of certain counties to impose a hotel occupancy tax and to the use of the tax.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 352 of the Tax code, regarding county hotel occupancy taxes.

The bill would take effect immediately upon enactment, if it receives two-thirds vote in each house. Otherwise, it would take effect September 1, 2009.

Local Government Impact

Under the provisions of the bill, the expiration date for Brazos County's authority to levy the hotel tax would be eliminated, and the county would be authorized to continue levying the tax until the commissioners court certifies that all debt payable from this tax has been paid. It is unknown how long it would take Brazos County to repay the debt. After certification by the commissioners court, the hotel tax rate could be no more than 0.4 percent.

The bill would lower the share of hotel tax revenue that must be spent on marketing projects that directly promote tourism, hotel, and convention activity from 45 percent to 20 percent. All tax revenue would be spent on marketing projects if the hotel tax rate does not exceed 0.4 percent. The bill would change the composition and duties of the committee assisting in the spending of the hotel tax revenue.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, TP