

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 13, 2009

TO: Honorable Chris Harris, Chair, Senate Committee on Economic Development

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

IN RE: HB1789 by Maldonado (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities, coliseums, and multiuse facilities in certain municipalities.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Section 351.101 of the Tax Code to add certain municipalities to the entities authorized to use revenue from a municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if the municipality owns the facilities or fields.

The bill would also amend Section 351.003, Tax Code, to authorize a certain municipality to impose a rate for a local hotel tax not to exceed 9 percent of the price paid for the room.

Local Government Impact

For a municipality affected by the proposed change to Section 351.101, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used for enhancing and upgrading existing sports facilities or fields.

Based on applicability of the criteria within the proposed change to Section 351.003, the change would apply only to the City of Longview. Because that portion of the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 304 Comptroller of Public Accounts

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