

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 4, 2009

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

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

IN RE: HB2032 by England (Relating to the authority of certain municipalities to use tax revenue for certain venue projects.), **As Engrossed**

No fiscal implication to the State is anticipated.

SECTION 1 of the bill would amend Chapter 334 of the Local Government Code to allow a municipality with a population of at least 176,000, that borders the Rio Grande, and that approved a sports and community venue project before January 1, 2009, to hold an election to authorize the municipality to plan, acquire, establish, develop, construct, or renovate a convention center and related infrastructure in the city limits.

The bill would allow the municipality to impose a hotel occupancy tax at a rate not to exceed two percent of the cost of a room, and authorize the municipality to finance, operate, and maintain the venue project using the revenue from any taxes imposed by the municipality under this chapter. The resolution would pass if it is approved by a majority of the votes cast in an election.

SECTION 2 of the bill would amend Section 334.2516(a) of the Local Government Code. Based on the applicability criteria of the bill, it would only apply to the City of Grand Prairie.

Local Government Impact

According to information provided by various municipalities, there would be costs associated with conducting elections and unknown revenue gain if the taxes imposed are approved by voters to finance certain venue projects.

Source Agencies:

LBB Staff: JOB, JRO, SD, TP