

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

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

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

IN RE: HB3669 by Hopson (Relating to the authority of certain counties to impose a hotel occupancy tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3669, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Houston County</i>
2010	\$168,000
2011	\$194,000
2012	\$203,000
2013	\$213,000
2014	\$224,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code, regarding the county hotel occupancy tax.

Under the provisions of the bill, a county that is bordered by the Neches and Trinity Rivers, partially containing the Davy Crockett National Forest, and with a population greater than 20,000 would be allowed to impose a hotel occupancy tax.

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

Methodology

Based on the population and geographical limitations outlined, the bill would affect only Houston County.

To estimate the potential maximum fiscal impact of this bill, data on taxable hotel receipts for Houston County were gathered from Comptroller tax files, which were then multiplied by 7 percent (the maximum rate should this bill become law). The fiscal impact was then adjusted for the bill's effective date and extrapolated through 2014.

The fiscal implications cannot be determined, as the tax rate that might be set by the county and the timing for the imposition of this tax are unknown. For the purpose of this analysis, the following illustrative table shows the fiscal impact should Houston County adopt the maximum 7 percent county hotel occupancy tax rate at the earliest date permissible.

Local Government Impact

Fiscal implications to Houston County are reflected in the above table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, DB