

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 26, 2009**

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

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

**IN RE: HB4348** by Ortiz, Jr. (Relating to the allocation of a portion of the state hotel occupancy tax revenue collected in a catastrophe area to the catastrophe reserve trust fund.), **As Introduced**

**Depending upon when or where a catastrophe area might be designated by the Commissioner of Insurance, there could be an indeterminate revenue loss to the state.**

The bill would amend Chapter 156 of the Tax Code, regarding the hotel occupancy tax.

The bill would direct the Comptroller, with regard to hotels located in a catastrophe area, to deposit an amount equal to one percent of those hotels' receipts subject to the hotel occupancy tax into the Catastrophe Reserve Trust Fund. A catastrophe area would be as defined in the Insurance Code.

Because it is not known when or where a catastrophe area might be designated by the Commissioner of Insurance, the fiscal impact cannot be determined. For illustrative purposes only, one percent of all taxable receipts for Texas hotels subject to the hotel occupancy tax equaled \$62 million in fiscal 2008.

An appropriation would be required for the Comptroller to deposit the required amount from the General Revenue Fund 0001 to the Catastrophe Reserve Trust Fund, a fund outside of the state treasury.

The bill would take effect September 1, 2009.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD