

**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: HB4781** by Gallego (Relating to the authority to impose a county hotel occupancy tax.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 352 of the Tax Code, regarding the county hotel occupancy tax.

The bill would authorize a county that borders Mexico, within which a national park of more than 400,000 acres is located, to impose a county hotel occupancy tax at a rate of up to 7 percent of the price paid for a room. That county could not impose the tax on hotels located in a city in the county that imposes a municipal hotel occupancy tax.

The bill would remove the 3 percent cap on the hotel occupancy tax levied by a county authorized to impose the tax under Section 352.002(a)(12) for counties having a population of 35,000 or more bordering on or containing a portion of Lake Fork Reservoir, thereby allowing that county to increase the tax rate to the 7 percent maximum allowed by this chapter.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009.

**Local Government Impact**

Under the geographical conditions outlined in the bill, Brewster County is the only county that borders Mexico and within which there is a national park of more than 400,000 acres. Currently, only Wood County is authorized to impose a tax under Section 352.002(a)(12); however, based on the July 2008 population estimates from the U.S. Bureau of Census, Hopkins County is close to reaching the population requirement of 35,000.

There could be a potential fiscal impact to Brewster County and Wood County upon passage of this bill and enactment by the county government. It is not known what hotels in those counties are within a municipality that now imposes a hotel occupancy tax. Therefore, the fiscal impact to units of local government cannot be determined.

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

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