

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 6, 2009

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

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

IN RE: SB1959 by Wentworth (Relating to the allocation of revenue from the state hotel tax for certain purposes in certain municipalities.), **As Introduced**

Depending on the amount a qualifying municipality spends on removal of trash and litter in state-owned rivers and on river beds, and the ability of an additional municipality to qualify for the allocation, there could be an indeterminate fiscal impact to the state.

The bill would amend the Tax Code, relating to the allocation of state hotel occupancy tax revenue to remove trash and litter in state-owned rivers located in certain municipalities.

The bill would require the Comptroller to issue to certain municipalities quarterly warrants up to 2 percent of the amount of revenue derived from the collection of state hotel occupancy taxes received from hotels located in a municipality that (1) has a population of less than 75,000, (2) is located in a county in which a park and recreation district had been created under Chapter 324 of the Local Government Code, and (3) in the fiscal year of the municipality preceding the calendar year in which the municipality is to receive money under this bill, was visited by more than 175,000 people who participated in recreational activities on state-owned rivers located within the boundaries of the municipality.

The Comptroller would make quarterly revenue allocations for the lesser of two amounts: (1) 2 percent of state hotel occupancy tax collections from the municipality, or (2) the amount the municipality actually spent on removing trash and litter in state-owned rivers and their river beds located within the boundaries of the municipality during the calendar quarter.

The municipality would have to furnish the Comptroller with documentation sufficient to establish the number of tourist visitations and the amount of money spent on trash and litter removal.

Currently, Comal County is the only county that has a park and recreation district under Chapter 324 of the Local Government Code. Under the provisions of this bill, only the city of New Braunfels would qualify for the allocation, if the required documentation could be furnished.

The bill would take effect immediately with two-thirds vote in each house. Otherwise, it would take effect October 1, 2009.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, SD, MN, TP