

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 16, 2011**

**TO:** Honorable Mike Jackson, Chair, Senate Committee on Economic Development

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

**IN RE: HB970** by Gonzales, Larry (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade coliseums and multiuse facilities in certain municipalities.), **Committee Report 2nd House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would allow a municipality, with a population of at least 90,000 but less than 120,000 and located in two counties where one of the counties contains the headwaters of the San Gabriel River, to use revenue from its municipal hotel occupancy tax for the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multi-use facility.

The bill would allow a municipality with a population of at least 175,000 but less than 225,000 and located in two counties each of which has a population of less than 200,000, to use revenue from its municipal hotel occupancy tax for the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multi-use facility and related infrastructure or a venue, as defined be section 334.001(4), Local Government Code, that is related to the promotion of tourism.

The cities of Round Rock and Amarillo would be eligible under the bill's provisions. The bill contains no state revenue or appropriation measures, and would affect only the uses of tax revenues collected by the municipalities.

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, 2011.

**Local Government Impact**

For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used.

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

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