

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 25, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

IN RE: HB1033 by Craddick (Relating to the authority of certain counties to impose a county hotel occupancy tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1033, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Crane County</i>
2012	\$13,000
2013	\$15,000
2014	\$16,000
2015	\$17,000
2016	\$18,000

Fiscal Analysis

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

The bill would allow the commissioners court of a county with a population less than 8,000, and that is bordered by the Pecos River and by a county with a population greater than 120,000, to impose a hotel occupancy tax.

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.

Methodology

Based on the population and geographical limitations set forth by the bill, Crane County would be the only eligible county. To estimate the maximum fiscal impact, the Comptroller of Public Accounts

gathered data on taxable hotel receipts for Crane County from tax files, which were then multiplied by 7 percent (the maximum rate should the bill become law to determine the maximum potential gain to the county).

Local Government Impact

The local 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. However, for illustrative purposes this analysis shows the fiscal impact should the county adopt the maximum 7 percent county hotel occupancy tax rate at the earliest date permissible.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, AG