

**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: HB1234** by Miller, Doug (Relating to the authority of certain counties to impose a county hotel occupancy tax.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1234, As Engrossed: an impact of \$0 through the biennium ending August 31, 2013.

**General Revenue-Related Funds, Five-Year Impact:**

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

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from Kendall County</b>
2012	\$429,000
2013	\$492,000
2014	\$516,000
2015	\$542,000
2016	\$569,000

**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 through which the Guadalupe River flows, and in which the source of the Blanco River is located, to impose a hotel occupancy tax. This provision would not apply to a hotel located in a municipality that imposes a hotel occupancy tax under Chapter 351 of this code.

The bill would amend the current description for a county eligible to impose a hotel occupancy tax by replacing language which limited the county's population to under 22,000 with language requiring that the Pedernales River flow through the county.

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 geographical limitations set forth, the bill would allow Kendall County to impose a hotel occupancy tax. To estimate the potential fiscal impact, the Comptroller of Public Accounts gathered data on taxable hotel receipts for Kendall County from tax files, which were then multiplied by 7 percent (the maximum rate should this bill become law) to determine the maximum potential gain to the county.

By replacing the population limitation with the Pedernales River requirement, Gillespie County would remain qualified to impose a tax under this chapter; no other counties would be affected by this change.

## **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