

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

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

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

IN RE: HB1315 by Aliseda (Relating to the use of municipal hotel occupancy tax revenue in certain municipalities.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 351 of the Tax Code, regarding the use of municipal hotel occupancy tax revenue in certain municipalities.

The bill would allow certain municipalities to use revenue from the municipal hotel occupancy tax for business recruitment projects to substantially enhance hotel activity and encourage tourism and, if requested and approved by a majority of the hotel owners or managers in the municipality, to construct, enlarge, equip, improve, maintain, repair, and operate a recreational facility.

A qualifying municipality must have a population of at least 3,500 but less than 5,500, and be the county seat of a county with a population of less than 50,000 that borders a county with a population of more than 1.6 million; or a population of at least 2,900 but less than 3,500, and be the county seat located in a county with a population of less than 22,000 that is bordered by the Trinity River and includes a state park and a portion of a wildlife management area.

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. It could affect how a municipality uses revenue collected from the municipal hotel occupancy tax. The cities of Jourdanton and Fairfield would qualify, based on the provisions in the bill.

Source Agencies: 304 Comptroller of Public Accounts

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