

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 20, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB1690 by Flynn (Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.), **As Engrossed**

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 25,000 but not more than 26,000, and located in a county that has a population of 90,000 or less, to use revenue from its municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields.

The bill contains no state revenue or appropriation measures, and would affect only the uses of hotel 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

According to the Comptroller of Public Accounts, the City of Greenville and the City of Paris would be affected by the bill's provisions. 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 for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KKR, KK, SD, AG