

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: HB3076 by Gallego (Relating to the rate of the hotel occupancy tax in certain counties.), **As Introduced**

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| No fiscal implication to the State is anticipated. |
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The bill would amend Chapter 352 of the Tax Code, regarding county hotel occupancy taxes.

The bill would restrict a county authorized by Section 352.002(a)(13) from imposing the tax at a rate that—when combined with the rate of a municipality authorized to impose this tax—exceeds 7 percent of the price paid for a room.

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

Section 352.002(a)(13) of the Tax Code authorizes Val Verde County to impose a tax at a rate not to exceed 7 percent. The bill would limit Val Verde from imposing its maximum tax rate in a municipality where a municipality imposes a tax authorized by Chapter 351 regarding the municipal hotel occupancy tax. Local hotel occupancy taxes are not administered by the state and current tax rates in cities in counties are not known and can vary significantly from what is allowed by statute. The fiscal impact to the county cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, AG