

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 26, 2011

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

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

IN RE: HB3341 by Anchia (relating to the rebate, refund, or payment of tax proceeds to a qualified hotel project.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 2303 of the Government Code, regarding enterprise zones, to create the Qualified Hotel Project Trust Fund as a fund outside the treasury, and require the Comptroller to deposit eligible taxable proceeds collected or paid by a qualified hotel project into the new fund. Monies in the fund would be used, without an appropriation, to rebate, refund or pay qualified projects the hotel occupancy and sales and use taxes to which they are entitled.

The bill would make conforming amendments to Chapters 151 and 351 of the Tax Code.

Currently, the state refunds state hotel taxes and state sales and use taxes to qualified hotel projects. In fiscal year 2010 those refunds totaled \$8.9 million. If this bill became law, the taxable proceeds would be deposited in the new fund outside of the treasury and not to General Revenue Fund 0001.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, AG