

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 23, 2011

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

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

IN RE: SB1180 by Nelson (Relating to hotel occupancy taxes and livestock facility use taxes for certain venue projects.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1180, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2011	\$0
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Six-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>City of Fort Worth</i>
2011	\$167,083
2012	\$2,055,000
2013	\$2,107,000
2014	\$2,159,000
2015	\$2,213,000
2016	\$2,269,000

Fiscal Analysis

The bill would amend Chapter 334 of the Local Government Code, regarding sports and community venues.

The bill would give authority to a municipality with a population of more than 700,000 located in a county with a population of more than one million that is adjacent to a county with a population of more than two million impose a hotel occupancy tax at any rate not to exceed 3 percent of the price paid for a room in a hotel. A municipality meeting the preceding criteria that adopts a tax at a rate of less than 3 percent may by ordinance increase the rate to the maximum applicable rate if the increase is approved by a majority of voters.

The bill would expand the definition of a designated facility, as it applies to the livestock facility use tax, to include a facility containing livestock stalls or pens located adjacent to the approved venue

project.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house, otherwise the bill would take effect on September 1, 2011.

Methodology

According to the Comptroller of Public Accounts, the bill would apply to the city of Fort Worth. The city of Fort Worth was contacted to determine the fiscal impact of the bill on the city. The city indicated there would be no cost to collecting the hotel occupancy tax since they already collect it. Assuming the city receives approval through an election to increase the tax from 2 percent to 3 percent, the amount of additional revenue resulting from the one percent increase for fiscal 2011-2016 would be estimated at \$10,970,083. The city's fiscal year begins October 1.

Local Government Impact

Assuming the city receives approval through an election to increase the tax from 2 percent to 3 percent, the amount of additional revenue resulting from the one percent increase for fiscal 2011-2016 would be estimated at \$10,970,083. The impact to Fort Worth is shown in the table above.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, AG, TP, JB, SD