

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 27, 2013

TO: Honorable Tracy O. King, Chair, House Committee on Agriculture & Livestock

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB505** by Lozano (Relating to authorizing certain counties to impose a hotel occupancy tax.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB505, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2015.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Bee County
2014	\$162,000
2015	\$170,000
2016	\$178,000
2017	\$187,000
2018	\$196,000

Fiscal Analysis

The bill would amend Chapter 352 of the Tax Code regarding county hotel occupancy taxes.

The bill would allow a county with a population of less than 50,000 through which the Aransas River flows, and that has a municipality with a population of more than 10,000, to impose a hotel tax. The rate for that county's hotel tax could not exceed 2 percent of the price paid for a hotel room if the hotel is located in a municipality that imposes the municipal hotel tax authorized in Chapter 351 of this code.

The bill would require revenue generated from the proposed hotel tax be used to operate, maintain, and improve a convention center and for other activities to attract tourist and convention delegates and registrants to the county.

The bill would take effect immediately upon receiving two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2013.

Methodology

Based on the population and geographical limitations set forth in the bill, Bee County would be the only eligible county. For the purpose of this estimate, the Comptroller of Public Accounts (CPA) gathered data on taxable hotel receipts for Bee County from Comptroller tax files, which were then multiplied by 2 percent. The fiscal impact was then adjusted for the bill's effective date and extrapolated through 2018.

Local Government Impact

CPA reports the fiscal implications cannot be determined as the tax rate that might be set by the county and the timing of the imposition of this tax are unknown. However, for illustrative purposes this analysis shows the fiscal impact if Bee County were to adopt a 2 percent county hotel occupancy tax rate at the earliest date permissible.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, SD, AG, RB