

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 22, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1279** by Lozano (relating to the use of hotel occupancy tax revenue in certain municipalities and counties.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to authorize a municipality located in a county with a population less than 50,000, through which the Aransas River flows, and that has a municipality with a population of more than 10,000, to use a portion of the revenue from its municipal hotel occupancy tax for critical water utility infrastructure to address a severe drought that affects hotel activity.

The bill would amend Chapter 352 of the Tax Code, regarding county hotel occupancy taxes, to allow a county with a population of less than 50,000, through which the Aransas River flows, that has a municipality with a population of more than 10,000, and that is authorized to impose a tax under this chapter to use a portion of the revenue from its county hotel occupancy tax to address transportation infrastructure damage that is attributable to hotel activity within the county.

The bill would take effect immediately if it receives the requisite two-thirds vote of the membership of each house; otherwise, it would take effect September 1, 2013.

Local Government Impact

Based on the population and geographical limitations set forth by the bill, Beeville and Bee County would be the only eligible municipality and county. For an applicable municipality or county, 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 this purpose.

Source Agencies: 304 Comptroller of Public Accounts

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