

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1908 by Eiland (Relating to sports and community venue projects.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 334.001(4), Local Government Code, to change the definition of a convention center venue to conform to the definition found in Sections 351.001(2) and 352.001(2), Tax Code. The bill would amend Sections 334.024, 335.054 and 334.255(b), Local Government Code, to require additional ballot language when a city or county, or two or more cities or counties call an election to authorize a hotel occupancy tax or to increase the hotel occupancy tax rate to fund a venue project. The bill would require that the local government unit(s) specify in the ballot language the maximum hotel occupancy tax rate imposed by all taxing entities located in the jurisdiction of the venue if the initiative were to be approved by the voters.

The bill would amend Section 334.254, Local Government Code, to prohibit a municipality or county from proposing a hotel occupancy tax to fund a venue project that would cause the combined hotel occupancy tax rate imposed by all taxing entities at any location in the municipality or county to exceed 17 percent of the price paid for a room in a hotel. Assessments or fees authorized under Section 372.0035 or Chapter 375, Local Government Code, are not to be included in calculating the combined tax rate under this subsection.

The bill would take effect September 1, 2013.

Local Government Impact

The cost of conducting general elections is paid by the local government entities that call the elections; usually under contract with the county. There is no cost to the state. The bill would lengthen the text of a ballot when a municipality or county calls an election to approve a hotel tax or to increase the tax rate of a hotel tax to fund a venue project. Ballots which extend to additional pages may cause additional costs to the entities administering elections.

Bexar County stated there could be a small increase in the cost of an election.

The city of Houston, along with Galveston and Motley counties stated that the bill would have no fiscal impact on the cost of administering an election in their jurisdictions.

Source Agencies: 304 Comptroller of Public Accounts

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