

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3042** by Oliveira (relating to the allocation of state hotel occupancy tax revenue to certain municipalities for cleaning and maintenance of and erosion control for public beaches.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3042, Committee Report 1st House, Substituted: a negative impact of (\$1,537,000) 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	(\$717,000)
2015	(\$820,000)
2016	(\$860,000)
2017	(\$903,000)
2018	(\$948,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>City of South Padre Island</i>
2014	(\$717,000)	\$717,000
2015	(\$820,000)	\$820,000
2016	(\$860,000)	\$860,000
2017	(\$903,000)	\$903,000
2018	(\$948,000)	\$948,000

Fiscal Analysis

The bill would amend Chapter 156 of the Tax Code, regarding the hotel occupancy tax.

The bill would direct the Comptroller to issue a warrant drawn on General Revenue Fund 0001, in an amount equal to 2 percent of the revenues derived from the state hotel occupancy tax from hotels located in a municipality described by Section 156.2512(c)(1)(C)(iii) as added by this bill,

to that municipality. That warrant would be in place of the warrant that municipality currently receives for 1 percent from those revenues.

The bill would take effect September 1, 2013.

Methodology

The bill's provisions would apply to the City of South Padre Island. Data on taxable hotel receipts for South Padre Island were gathered from Comptroller tax files, which were then multiplied by 1 percent to estimate the bill's fiscal impact. The fiscal impact was then adjusted for the bill's effective date and extrapolated through 2018.

Local Government Impact

The fiscal impact to the city of South Padre Island is shown in the table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, AG