

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 3, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3337 by King, Tracy O. (Relating to the authority of certain counties to impose a county hotel occupancy tax.), **As Engrossed**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 352 of the Tax Code, regarding county hotel occupancy taxes.

The bill would allow a county through which the Frio River flows, has a population of 17,000 or more, does not share a border with a county that borders Mexico, and the county seat of which holds an annual potato fest to impose a county hotel occupancy tax. The county hotel tax would not apply to a hotel located in a municipality that imposes a hotel tax under Chapter 351 of this code.

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

Local Government Impact

Based on the population, geography, and an annual potato fest being held in its county seat, Frio County would be the only eligible county. The bill would authorize Frio County to impose a hotel occupancy tax not to exceed 7 percent, except in a municipality that imposes a hotel tax. Local hotel occupancy taxes are not administered by the state and current hotel tax rates in counties and municipalities are not known and the rates vary significantly from what is allowed by statute. Depending on whether Frio County would impose a county hotel tax, the bill could have an indeterminate revenue gain to Frio County.

Source Agencies: 304 Comptroller of Public Accounts

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