

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**February 19, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB412** by Seliger (Relating to the authority of certain counties to impose a hotel occupancy tax for the maintenance, operation, and promotion of and improved access to a coliseum in the county; authorizing a tax.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for SB412, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.
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**General Revenue-Related Funds, Five-Year Impact:**

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

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from <i>Ector County</i></b>
2014	\$1,632,000
2015	\$1,796,000
2016	\$1,975,000
2017	\$2,173,000
2018	\$2,390,000

## **Fiscal Analysis**

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

The bill would authorize a county with a population of less than 200,000 in which a minor league hockey team is or has been located and in which a component institution of the University of Texas System is located to impose a county hotel occupancy tax not to exceed two percent of the price paid for a room in a hotel. The bill would direct the revenue from the tax imposed by the bill to be used to operate, maintain, and improve a coliseum in the county; advertise and conduct solicitations and promotional programs to attract visitors to the coliseum; and maintain and improve infrastructure in the county to improve traffic flow to the coliseum.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

## **Methodology**

Based on the requirements of the bill, Ector County would be the only eligible county. To estimate the fiscal impact of the bill, the Comptroller of Public Accounts gathered data on taxable hotel receipts for Ector County from tax files, which were then multiplied by 2 percent (the maximum rate should this bill become law) to determine the maximum potential gain to the county.

## **Local Government Impact**

The local fiscal implications cannot be determined as the tax rate that might be set by the county and the timing for the imposition of this tax are unknown. However, for illustrative purposes this analysis shows the fiscal impact should the county adopt the maximum 2 percent county hotel occupancy tax rate at the earliest date permissible.

**Source Agencies:** 304 Comptroller of Public Accounts

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