

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 24, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1783** by Zaffirini (Relating to the tax exemption for permanent hotel residents in certain oil and gas producing municipalities.), **As Introduced**

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| <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.

The bill would amend Section 351.002 to add new Subsection (d) to allow a municipality by ordinance to define "permanent resident" as a person who has the right to use or possess a room for at least 120 consecutive days without interruption in a hotel located in a Railroad Commission of Texas oil and gas division district with 315 or more total completions in the preceding year. Under current law (in Chapter 156 of the Tax Code, regarding the state hotel occupancy tax), the threshold for a person to be considered a "permanent resident" in a hotel, and thereby no longer be subject a hotel occupancy tax, is 30 consecutive days without interruption.

The bill would take effect September 1, 2013.

Local Government Impact

Municipalities implementing the bill's provisions could potentially see increased collections from their hotel occupancy tax.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, AG