

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

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

**May 10, 2013**

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

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

**IN RE: SB1833** by Uresti (Relating to the rate of the hotel occupancy tax in certain counties.), As Engrossed

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for SB1833, As Engrossed: 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 Val Verde County</b>
2014	\$169,000
2015	\$177,000
2016	\$186,000
2017	\$195,000
2018	\$205,000

**Fiscal Analysis**

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

The bill would require a county authorized to impose a hotel occupancy tax under Section 352.003(q) to impose that tax at a rate not greater than 2 percent on a hotel located in a municipality that imposes a municipal hotel occupancy tax or the extraterritorial jurisdiction of that municipality.

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

### **Methodology**

The bill's provisions would apply to Val Verde County and the City of Del Rio. For the purpose of this estimate, the Comptroller of Public Accounts (CPA) gathered data on taxable hotel receipts for Val Verde County from Comptroller tax files, which were then multiplied by 2 percent. The fiscal impact was then adjusted for the bill's effective date and extrapolated through 2018.

### **Local Government Impact**

CPA reports the fiscal implications cannot be determined as the tax rate that might be set by the county and the timing of the imposition of this tax are unknown. However, for illustrative purposes this analysis shows the fiscal impact if Val Verde were to adopt a 2 percent county hotel occupancy tax rate at the earliest date permissible.

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

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