

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

TO: Honorable Carol Alvarado, Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1792 by Springer (Relating to regulation of residential short-term rental units and collection and reporting periods of hotel occupancy taxes; creating a criminal offense; amending provisions subject to a criminal penalty.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 2155 of the Occupations Code, regarding hotels and boardinghouses, to define, include, and regulate residential short-term rental units and residential short-term rental listing services.

The bill would amend Chapter 156 of the Tax Code, regarding the hotel occupancy tax, to define a hotel as including a residential short-term rental unit as defined by new Section 2155.151 of the Occupations Code; would provide for semiannual filing of hotel occupancy tax returns; would allow semiannual filers to be reimbursed for the cost of collecting the tax; and would allow counties and cities to adopt by order or ordinance the reporting periods and payment dates prescribed by this section.

The bill would create a separate violation for each day a violation occurs or continues to occur, and would not preempt an order, ordinance, or similar measure adopted by a political subdivision relating to a residential short-term rental unit that is consistent with or more stringent than this section.

The bill would establish a Class C misdemeanor offense for violations of new Section 2155.152 (if a residential short-term listing service does not obtain a statement from the owner or tenant of the listed unit that includes all hotel tax taxpayer identification numbers applicable to the unit before listing the unit on its internet website.)

The number of residential short-term rental units currently not paying the hotel tax is unknown; however, the bill would provide for increased regulation and compliance that could result in an increase of hotel tax revenue collections.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

A Class C misdemeanor is punishable by a fine of not more than \$500. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact. In addition to the fine, punishment can include up to 180 days of deferred disposition.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KVe, EK, AG