

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 20, 2015**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

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

**IN RE:** **HB2019** by Craddick (relating to the authority of certain counties to impose a hotel occupancy tax.), **Committee Report 2nd House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 352.002, regarding the authorization of county hotel tax, to provide in Subsection (a-1) that a county with a population of less than 150,000 (an increase from 125,000 in current law) that has a commercial-service international airport within Class C airspace that is owned by a municipality having a population of less than 150,000 (an increase from 125,000) may impose a hotel occupancy tax.

The bill would add Subsection (n) to Section 352.002 to provide that a county with a population of more than 300,000, and in which there is located all or part of the most populous military installation in the state, may impose a county hotel occupancy tax.

The bill would add Subsection (p) to Section 352.003 to provide that in a county authorized to impose the tax under new Subsection 352.002(n), the county tax rate in relation to a hotel located in a municipality that imposes a municipal hotel occupancy tax may not exceed a rate that, when added to the rate of the tax imposed by the municipality, exceeds the sum of the rate prescribed by Section 351.003(a) plus two percent.

**Local Government Impact**

The bill's provisions would affect Midland and Bell Counties, based on the U.S. Census Bureau's population estimates in the 2010 census. The bill would adjust the population bracket so Midland County can continue collecting the previously authorized hotel occupancy tax. The bill would authorize Bell County to impose a county hotel occupancy tax; however, as the tax rate that might be set by the county and the timing of the imposition of this tax are unknown, there could be an indeterminate revenue gain to Bell County.

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

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