

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 15, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3595** by Morrison (Relating to the use of municipal hotel occupancy tax revenue in certain municipalities.), **As Engrossed**

<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 apply to a municipality located in a county with a population of not more than 300,000 and in which a component of the University of Houston System is located.

The bill would amend Section 351.101, regarding the use of tax revenue, to add Subsection (h) to allow such a municipality to use revenue from its municipal hotel occupancy tax for the promotion of tourism by constructing, maintaining, or expanding a sporting-related facility owned by the municipality if the majority of the events at the facility involve participants staying at hotels in the municipality. Additionally, the municipality would be required to not reduce the amount of revenue it uses for advertising and conducting solicitations and promotional programs to attract tourists, delegates, or registrants to an amount that is less than the lesser of: (A) the amount of that revenue used by the municipality for advertising and conducting solicitations and promotional programs to attract tourists, delegates, or registrants during the municipality's 2015 fiscal year; or (B) the total amount of that revenue received in the fiscal year.

Local Government Impact

Under the provisions of the bill, the city of Victoria would qualify, based on that city's U.S. Census Bureau city population count in the 2010 census and presence of the University of Houston-Victoria. The bill would have no revenue implications; it would, however, affect how Victoria uses revenue collected from the municipal hotel occupancy tax.

Source Agencies: 304 Comptroller of Public Accounts

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