

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 2, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2354** by Isaac (relating to the use and allocation of municipal hotel occupancy tax revenue in certain municipalities.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to add new Section 351.101(o) to authorize a municipality that (1) has a population of not more than 10,000; (2) contains an outdoor gear and sporting goods retailer with retail space larger than 175,000 square feet; and (3) that hosts an annual wiener dog race, to use municipal hotel occupancy taxes to promote tourism and the convention and hotel industry by constructing, operating or expanding a sporting related facility or field owned by the municipality if the majority of the events at the facility or field are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in the municipality. The bill would place limitations on any reduction in the allocation of municipal hotel occupancy tax revenue related to advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity in Section 351.101(a)(3) of the Tax Code.

The bill would modify the allowable use of municipal hotel occupancy tax revenue in the City of Buda.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise it would take effect September 1, 2017.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD