

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2526** by Canales (relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to add new Section 351.1068 to authorize a municipality that is the county seat of a county that (1) is adjacent to the Texas-Mexico border; (2) has a population of 500,000 or more; and (3) is adjacent to two or more counties each of which has a population of 50,000 or more, to use municipal hotel occupancy taxes for constructing, maintaining, or expanding a sports-related facility or sporting-related field on property owned by the municipality if the municipality's sports facilities and fields have been used in the preceding calendar year a combined total of more than 10 times for district, state, regional or national sports tournaments. The bill would limit the amount of municipal hotel tax revenue that may be used for that purpose.

The bill would have no state revenue implications.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

Local Government Impact

The bill's provisions would allow the City of Edinburg in Hidalgo County to use municipal hotel tax revenue to construct, maintain, or expand a sporting-related facility or property owned by the city if the municipality's sports facilities and fields have been used in the preceding calendar year a combined total of more than 10 times for district, state, regional or national sports tournaments. .

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SZ, SD