

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 20, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB345 by West (Relating to the use of tax revenue by certain municipalities for the payment of certain hotel-related bonds or other obligations.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Section 351.102 of the Tax Code, regarding municipal hotel occupancy taxes and pledges for bonds.

The bill would amend Subsection (b) to provide that, in the case of a municipality with a population of 173,000 or more that is located within two or more counties, municipal hotel occupancy tax revenue may be pledged to repay bond debt related to hotel projects if the project is on land owned by the federal government and is within 1,000 feet of a convention center owned by the municipality. Under current law, the project would be required to be owned by or located on land owned by the municipality.

The bill would have no state revenue implications.

The bill would take effect immediately upon enactment, assuming that 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 affect the City of Grand Prairie. Under current law, Grand Prairie is authorized to receive state sales tax and state hotel tax for a convention center hotel project if owned by or located on land owned by the city. While the bill provides for substitution of location on federal land for ownership by or location on land owned by the city as a condition of the authorization, the bill does not create any additional authorization to receive state funds and accordingly will have no fiscal implications.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, SD, KK