

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 29, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB942 by Hughes (relating to the use of municipal hotel occupancy tax revenue in 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 local hotel taxes.

The bill would amend Section 351.101, regarding the use of municipal hotel tax revenue, to add Subsection (n) to permit a city that has a population of not more than 1,500 and is located in a county that borders Arkansas and Louisiana to use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field, provided the city owns the facility or field and the facility was used in the preceding calendar year a combined total of more than 10 times for district, state, regional or national sports tournaments. The municipality may not spend an amount of municipal hotel occupancy tax for this purpose in an amount that exceeds the amount of area hotel revenue attributable to the enhancements and upgrades.

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

Based on the 2010 decennial census, the bill would authorize the city of Queen City to use municipal hotel tax revenue for certain existing sports facilities.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, SD, KK