

**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:** SB1136 by Hinojosa (relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), **Committee Report 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
--

**Local Government Impact**

This 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 located on 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 tax revenue to construct, maintain, or expand a sporting-related facility or property owned by the municipality.

The bill would require the municipality to determine the amount of that tax revenue attributable to sports tournaments, events and games held on the newly constructed, enhanced or upgraded facilities or fields for 10 years after the date the construction, enhancements or upgrades were completed. The municipality may not spend over that amount for the construction, enhancement or upgrades from that tax revenue, and the municipality would reimburse from its general fund any expenditure in excess of the amount attributable to the construction, enhancements or upgrades.

The bill's provisions would affect the manner in which the City of Edinburg, Hidalgo County, could allocate its municipal hotel tax revenue.

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.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, SZ, KK