

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 26, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **SB1804** by Lucio (relating to the use of municipal hotel occupancy tax revenue by certain municipalities.), **Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

This bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend the heading of Section 351.1054 to "Allocation of revenue; eligible barrier coastal island municipality," and would add new Section 351.1054(b)(3) to authorize an eligible barrier island coastal municipality to use municipal hotel occupancy taxes for expenses directly related to the construction, improvement, equipping, repairing, operation and maintenance of coastal sports facilities owned by the municipality. The bill would require coastal sports facilities including boat docks, boat ramps, and fishing piers used by hotel guests to have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments and events, and require that the majority of those events are directly related to a sports tournament or event in which the majority of participants are tourists who increase economic activity at hotels in the area.

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, SD, KK