

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 15, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB2166** by Creighton (Relating to the use of municipal hotel occupancy tax revenues in certain municipalities.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend Section 351.101 to add new Subsections (m) and (m-1) to allow a municipality, with a population of 6,500 or less that has 800 hotel rooms within the corporate boundaries of the municipality and that is located in a county adjacent to a county with a population of at least 3.3 million or more, to use revenue from the municipal hotel tax to promote tourism and the convention and hotel industry. Taxes could be used for constructing, improving, enlarging, equipping, repairing, operating and maintaining a municipally owned 1) convention center facility, 2) sports-related facility with seating for at least 4,500 people, 3) multiuse facility, and 4) related infrastructure for any of the those facilities. The bill would also place limitations on obligations issued by the municipality secured by municipal hotel occupancy tax revenue.

The bill would have no fiscal impact on the state.

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 would expand the allowable uses of municipal hotel occupancy tax revenue for the city of Shenandoah.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, SD, KK