

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1634 by Kuempel (Relating to the imposition and rate of the county hotel occupancy tax in certain counties; authorizing the imposition of a tax.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

This bill would amend Chapter 352 of the Tax Code, regarding county hotel occupancy taxes.

Section 352.002 would be amended by adding Subsection (y) to provide that the commissioners court of a county with a population of 110,000 or more through which the Guadalupe River flows may impose a county hotel occupancy tax. The tax authorized by this Subsection would not apply to a hotel located in a municipality that: 1) has a population of 50,000 or more; 2) is the county seat of a county adjacent to the county to which this subsection applies; and 3) imposes a tax under Tax Code Chapter 351 applicable to the hotel.

Section 352.003 would be amended by adding Subsection (v) to provide that the tax rate in a county authorized to impose the tax under Section 352.002(y) may not exceed seven percent of the price paid for a room in a hotel, except that the tax rate may not exceed two percent of the price paid for a room in a hotel if the hotel is located in: 1) a municipality that imposes a tax under Chapter 351 applicable to the hotel; or 2) the extraterritorial jurisdiction of a municipality that imposes a tax under Section 351.0025 applicable to the hotel.

The bill would allow a municipality with a population of more than 10,000 that has a city hall located less than three miles from a space center operated by an agency of the federal government and that is wholly located in a county with a population of four million or more to use revenue from the municipal hotel occupancy tax for the construction, improvement, enlarging, equipping, renovating, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue that is related to the promotion of tourism, including a hotel, resort, or convention center facility located on land owned by the municipality or a nonprofit corporation acting on behalf of the municipality.

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, 2019.

The bill would have no state revenue implications.

Local Government Impact

The bill would allow Guadalupe County to impose a county hotel occupancy tax. The bill would modify the allowable use of municipal hotel occupancy tax revenue in the City of Webster.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, SZ, KK, SD