

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 9, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

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

IN RE: **HB3072** by Parker (Relating to the authority of certain municipalities to pledge certain tax revenue for the payment of obligations related to hotel projects.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 351.102 of the Tax Code regarding the pledge of municipal hotel tax revenue to certain bonds and entitlement of certain municipalities to state tax revenue associated with certain hotel projects.

The bill would amend Subsection (g) to extend the date-September 1, 2019 to September 1, 2021- by which a municipality must enter into an agreement with a person for the development of the hotel project.

This bill would take effect immediately upon enactment, assuming that 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

There is no requirement that development agreements for hotel projects be submitted to the comptroller or other state agency for determination of validity, and no requirement that a development agreement entered into prior to September 1, 2019 for purposes of preserving authority to receive hotel project benefits not be subsequently amended or superseded before eventual development of a project. It is expected that municipalities would enter provisional agreements before September 1, 2019 sufficient to preserve authority to receive project benefits, were the date required for such agreements not extended. Consequently, the bill would have no fiscal implications.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD