

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 17, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

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

**IN RE:** **SB2137** by Hinojosa (Relating to the use of municipal hotel occupancy tax revenue by certain municipalities. ), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, 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, field or related infrastructure that is located within 2,500 feet of the facility or field and is directly related to the facility or field provided that the facility, field, or infrastructure is located on property owned by the municipality.

The bill would require the municipality to determine the amount of that tax revenue attributable to the newly constructed, enhanced or upgraded facilities, fields, or related infrastructure for 10 years after the date the original construction, enhancements or upgrades of the first of the facilities or fields is completed. The municipality could 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.

This bill would amend Chapter 352 of the Tax Code, regarding county hotel occupancy taxes, to authorize the commissioner's court of a county with a population of less than 17,000 that borders the Red River and in which at least two United States highways cross into Oklahoma to impose a county hotel occupancy tax.

The bill would have no state revenue implications.

The bill would take effect September 1, 2019.

**Local Government Impact**

The bill would modify the allowable use of municipal hotel occupancy tax revenue in the City of Edinburg and the allowable use of county hotel occupancy tax in Wilbarger County.

**Source Agencies:** 304 Comptroller of Public Accounts  
**LBB Staff:** WP, KK