

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 19, 2021

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2172 by Morales, Eddie (Relating to the hotel occupancy tax imposed by certain counties and the use of revenue from that tax; reducing the maximum rate of that tax; authorizing the imposition of a tax.), **As Engrossed**

No fiscal implication to the State is anticipated.

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

The bill would amend Section 352.003 by adding Subsection (y) to impose a 2 percent county tax rate ceiling for a county where there is an Indian reservation under the jurisdiction of the United States government. The bill would amend Section 352.002(d) to allow that county's tax to apply in a municipality which imposes a municipal hotel occupancy tax, and would add Section 352.114 to authorize the same county to use its tax revenue for up to 10 years to make improvements to an airport owned by the county.

The bill would amend Section 352.002 by adding Subsection (w) to authorize the commissioner's court in a county with a population of more than 650,000 that is adjacent to two counties, each of which has a population of more than 1.8 million to impose a county hotel occupancy tax.

The bill would have no state revenue implications.

The bill would take effect September 1, 2021.

Local Government Impact

The bill would apply to Maverick County. The bill would authorize Denton County to impose a county hotel occupancy tax.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AJL, SD, BRI, KK