

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 6, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3223 by Zwiener (relating to the use by certain municipalities of municipal hotel occupancy tax revenue for the enhancement and maintenance of public parks.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
--

The bill would amend Chapter 351 of the Tax Code, by adding Section 351.111 to authorize the following to use a portion of the revenue derived from municipal hotel occupancy taxes to promote tourism and the convention and hotel industry by enhancing and maintaining public parks:

1. a municipality that has a population of not more than 10,000, that contains an outdoor gear and sporting goods retailer with retail space larger than 175,000 square feet, and that hosts an annual wiener dog race,
2. a municipality that is the county seat of a county through which the Pedernales River flows and in which the birthplace of a president of the United States is located,
3. a municipality that is bisected by U.S. Highway 290 and is located in a county that is adjacent to the county in which the State Capitol is located and has a population of more than 150,000, and
4. a municipality with a population of less than 3,000 that borders the Pecan Bayou and has a visitors and events center.

The bill would also place limitations on the amounts of revenue so used.

The bill would affect the manner in which the cities of 1) Buda, 2) Johnson City, 3) Dripping Springs and 4) Early could allocate municipal hotel tax revenue to enhance and maintain public parks owned by the municipality. There would be no state revenue implications.

The 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, 2021.

Local Government Impact

The bill would affect the manner in which the cities of 1) Buda, 2) Johnson City, 3) Dripping Springs and 4) Early could allocate municipal hotel tax revenue to enhance and maintain public parks owned by the municipality.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI