

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 11, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4305 by Morales, Eddie (Relating to the use of hotel occupancy tax revenue by certain counties and municipalities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapters 351 and 352 of the Tax Code, regarding municipal and county hotel occupancy tax.

The bill would amend Section 351.10692 of the Tax Code, regarding the allocation and use of municipality hotel occupancy tax revenue in 1) a municipality located in a county with a total area of more than 6,000 square miles and 2) a municipality located in a county with a total area of more than 3,850 square miles but less than 4,000 square miles. The bill addresses the use of this revenue for the preservation of dark skies through construction and maintenance of infrastructure and the purchase and installation of hardware that reduces light pollution and sky glow.

The bill would amend Section 352.102 of the Tax Code regarding the use of county hotel occupancy tax in counties bordering Mexico and would allow counties described by Sections 352.002(a)(7) and 352.002(a)(14) to use revenue also for the preservation of dark skies.

The bill would repeal Section 351.1035 of the Tax Code regarding allocation of municipal hotel occupancy tax revenue in certain border counties.

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 all cities in Presidio and Brewster counties could allocate and use municipal hotel occupancy tax revenue. The bill would affect the manner in which Jeff Davis and Brewster counties could allocate and use county hotel occupancy tax revenue.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI