

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 15, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3453 by Jetton (Relating to authorizing certain counties to impose a hotel occupancy tax, the applicability and rates of that tax in certain counties, and the use of revenue from that 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 352.002 by adding Subsection (ee) to authorize the commissioners court of a county with a population of 800,000 or more that is adjacent to a county with a population of four million or more to impose a county hotel occupancy tax. The bill would add Section 352.003(bb) to state that the county's hotel occupancy tax rate may not exceed seven percent of price paid for a room in a hotel and that it may not exceed two percent of the price paid for a room in a hotel if the hotel is located in the jurisdiction of a municipality that imposes a hotel occupancy tax. The bill would add Section 352.115 to authorize the county to use the revenue from the county hotel occupancy tax to construct, maintain, and operate a multi-event sports and entertainment venue that substantially increases regional sporting events and related economic activity at hotels in the county.

The bill would have no state revenue implications.

Local Government Impact

The bill would apply to Fort Bend County.

Source Agencies:

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