

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 31, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4565 by Longoria (Relating to the use of the revenue derived from the municipal hotel occupancy tax by certain municipalities and to the rate at which that tax is imposed by those municipalities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes.

The bill would amend Section 351.001(7) by adding Subsection (F) to authorize a municipality that has a population of 70,000 or more but not more than 180,000 and is located in a county that borders the United Mexican States and the Gulf of Mexico, to impose a municipal hotel occupancy tax, with a rate not to exceed nine percent of the price paid for a room in a hotel. The municipality would be required to use the revenue from the municipal hotel occupancy tax that is derived from the application of the tax at a rate of more than seven percent of the price paid for the room for the construction, expansion , maintenance, financing, operation, or debt service of a convention center or multiuse facility.

The bill would have no state revenue implications.

Local Government Impact

The bill affects Harlingen.

Source Agencies:

LBB Staff: JMc, KK, SD, BRI