

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 13, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4683 by Leach (Relating to the authority of certain municipalities to use certain tax revenue for hotel and convention center projects.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4683, As Introduced: an impact of \$0 through the biennium ending August 31, 2027. However, there would be a negative impact of (\$1,039,000) in the biennium ending August 31, 2029. The negative impact would begin in fiscal year 2028 and continue for 10 years.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	\$0
2027	\$0
2028	(\$509,000)
2029	(\$530,000)
2030	(\$551,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2026	\$0
2027	\$0
2028	(\$509,000)
2029	(\$530,000)
2030	(\$551,000)

Fiscal Analysis

This bill would add a municipality with a population of 15,000 or more but less than 30,000, that is bisected by United States Highway 75, and that is wholly located in a county with a population of 750,000 or more, in which all or part of a municipality with a population of one million or more is located, and that is adjacent to a county with a population of two million or more, to the list of municipalities that are entitled to receive certain tax revenue derived from a hotel and convention center project and to pledge certain revenue for the payment of obligations related to the project.

Methodology

The bill's provisions would affect the city of Anna.

Anna would be entitled to receive from the qualified hotel and each restaurant, bar, and retail establishment located in or connected to the hotel or the related qualified convention center facility, the state sales and use tax and the state hotel occupancy tax. Anna would be entitled to receive the revenue until the tenth anniversary of the date the qualified hotel to which the entitlement relates is open for initial occupancy.

The city of Anna has plans for a qualified hotel and could avail itself of the tax rebates should eligibility be acquired through this legislation. The estimate is based on an assumed opening date of September 1, 2027, or state fiscal year 2028, a comparison and review of revenues paid to the owners of extant qualified hotel projects, and estimated attributes of such prospective hotel.

Local Government Impact

Anna would be entitled to receive from the qualified hotel and each restaurant, bar, and retail establishment located in or connected to the hotel or the related qualified convention center facility, the state sales and use tax and the state hotel occupancy tax. Anna would be entitled to receive the revenue until the tenth anniversary of the date the qualified hotel to which the entitlement relates is open for initial occupancy.

Source Agencies: 304 Comptroller of Public Accounts

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