

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1585 by Paul (Relating to the use of hotel occupancy tax revenue in certain municipalities.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes. The bill would add Section 351.1071, regarding the allocation of revenue in certain municipalities, that would apply only to a municipality with a population of not more than 5,000 and located less than one-eighth of one mile from a space center operated by an agency of the federal government.

A qualifying municipality could use from collections of this tax 1) not more than 45 percent for economic development projects to enhance public areas at or in the immediate vicinity of hotels or convention center facilities, including construction and maintenance projects, projects improving the visual appeal of those areas, and projects updating signage; and 2) not more than 15 percent for peace officers, firefighters, emergency medical services personnel, or other local government employees working at special events attended by large numbers of tourists.

Local Government Impact

Under the provisions of the bill, the city of Nassau Bay would qualify, based on that city's U.S. Census Bureau city population count in the 2010 census and its proximity to NASA's Johnson Space Center. The bill would have no revenue implications; it would, however, affect how a Nassau Bay uses revenue collected from the municipal hotel occupancy tax.

Source Agencies: 304 Comptroller of Public Accounts

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