

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 225-12

AN ORDINANCE

amending Chapter 26 of the City Code to allow hotel/motel gross receipts license tax revenue to be used for economic development; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter 26 of the Code of Ordinances of the City of Columbia, Missouri, is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Sec. 26-77. Tourism fund established.

There is hereby established a convention and tourism fund. All taxes levied and collected pursuant to this article shall be deposited to the credit of such fund as hereinafter provided. Seventy-five (75) percent of the taxes collected under this article shall be placed in a separate account to be used and expended by the city only for promoting conventions, ~~and~~ tourism and economic development in the city. Twenty-five (25) percent of the taxes collected under this article shall be placed in a separate account to be used and expended by the city only for planning, promoting, operating and constructing tourist attractions and planning and promoting tourist events which have substantial potential to generate overnight visitation.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2012.

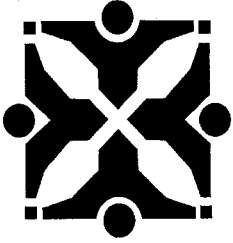
ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor



Source: Law

TS

Agenda Item No:

To: City Council
From: City Manager and Staff

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Council Meeting Date: Aug 20, 2012

Re: Use of Hotel/Motel Tax Revenue for Economic Development

EXECUTIVE SUMMARY:

The City Manager's budget proposes to use \$50,000 in hotel tax revenue to partially fund the City's contribution to Regional Economic Development, Inc. (REDI). Staff has prepared an amendment to Chapter 26 that would add "economic development" as an allowed use for hotel tax revenue.

DISCUSSION:

The City Manager's budget proposes to begin a shift in how the City funds its contribution to REDI. The proposed budget would spend \$50,000 of new growth in the hotel tax to replace \$25,000 of General Fund revenue.

Currently, the hotel gross receipts license tax revenue is placed in the convention and tourism fund and can only be spent to promote conventions and tourism. An amendment to the ordinance has been prepared that would authorize the expenditure of hotel tax revenue to promote economic development.

FISCAL IMPACT:

If the ordinance is amended and the City Manager's budget proposal is followed, \$50,000 of the tourism fund would be used to partially fund REDI replacing \$25,000 of General Fund revenue.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

None.

SUGGESTED COUNCIL ACTIONS:

Passage of the ordinance.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Expands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	Yes	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	