

ORDINANCE NO. 991118-61

AN ORDINANCE AMENDING SECTION 5-3-6 OF THE CITY CODE RELATING TO THE ALLOCATION OF REVENUE DERIVED FROM THE HOTEL OCCUPANCY TAX.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Section 5-3-6 (A) of the City Code is amended to read as follows:

- (A) The revenue derived from the hotel occupancy tax imposed and levied by this chapter may be used only to promote tourism and the convention and hotel industry, according to the following allocations for the purposes stated as follows:
 - (1) Sixty-four and two-sevenths percent of the funds collection shall be allocated to the Convention Center CIP Fund and may be used for the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities (as [such are] defined in Tex. Tax Code Ann. § 351.001 (Vernon 1982)) and the furnishing by the city of facilities, personnel, and materials for the registration of convention delegates or registrants;
 - (2) ~~Twenty and five-sevenths~~ [Twenty-one and three-sevenths] percent of the funds collected shall be allocated to the Tourism/Promotion Fund and may be used for:
 - (a) Advertising, conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the city or its vicinity; and
 - (b) For historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums which are not in the immediate vicinity of convention facilities; or which are located elsewhere in the city or its vicinity that would be frequented by tourists, convention delegates, or other visitors to the city.

§ 11-2-7 ALLOCATION AND USE OF HOTEL OCCUPANCY TAX REVENUE.

(A) This section does not apply to taxes collected under Article 2 (*Venue Projects*).

(B) The revenue derived from the tax authorized by this chapter may be used only as provided by Section 351.101 (*Use of Tax Revenue*) of the Texas Tax Code to promote tourism and the convention and hotel industry as follows:

(1) 64-2/7 percent of the funds collected is allocated to the Convention Center Capital Improvement Project Fund and may be used for:

(a) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities as defined in Section 351.001 (*Definitions*) of the Texas Tax Code; and

(b) the City's provision of facilities, personnel, and materials for the registration of convention delegates or registrants;

(2) 20-5/7 percent of the funds collected is allocated to the Tourism/Promotion Fund and may be used for:

(a) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the City or its vicinity; and

(b) for historical restoration and preservation projects or activities, or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums located at or in the immediate vicinity of convention center facilities or elsewhere in the City or its vicinity; and

(3) 15 percent of the funds collected is allocated to the Cultural Arts Fund and may be used for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of a major art form.

(C) Revenue derived from the tax shall only be expended to directly enhance and promote tourism and the City's convention and hotel industry. Tax revenue may not be used as general revenue for general governmental operations of the City.

Source: 1992 Code Section 5-3-6; Ord. 031204-10; Ord. 031211-11.

ARTICLE 2. VENUE PROJECTS.

§ 11-2-11 ADDITIONAL HOTEL TAX.

(A) In addition to the tax levied under Section 11-2-2 (*Tax Levied, Exceptions*), a tax in the amount of two percent of the consideration paid for a hotel room is levied.

(B) This tax supports the Convention Center/Waller Creek Venue Project approved by the voters at the May 2, 1998 election as authorized under Chapter 334 (*Sports and Community Venues*), Subchapter H (*Hotel Occupancy Taxes*) of the Texas Local Government Code.

(C) Articles 1 (*General Provisions*) and 3 (*Violations*) of this chapter apply to this article except to the extent of a conflict.

Source: 1992 Code Sections 5-3-11 and 5-3-12; Ord. 031204-10; Ord. 031211-11.

§ 11-2-12 COLLECTION OF TAX.

(A) A person required to collect a tax under Article 1 (*General Provisions*) shall also collect the tax imposed by this article.

(B) Each bill or other receipt for a hotel charge that is subject to the tax imposed under this article must conspicuously include the following statement:

"The City of Austin requires an additional tax of two percent be imposed on each hotel charge for the purpose of financing a venue project."

Source: 1992 Code Section 5-3-13; Ord. 031204-10; Ord. 031211-11.

§ 11-2-13 QUARTERLY REPORTS.

A person required to collect a tax under this article shall include in the quarterly reports required under Section 11-2-4 (*Quarterly Reports; Payments*) the following additional information:

- (1) the amount of the tax collected under this article; and
- (2) other information as required by the department.

Source: 1992 Code Section 5-3-14; Ord. 031204-10; Ord. 031211-11.

§ 11-2-14 VENUE PROJECT FUND.

(A) The department shall establish and maintain a separate Venue Project Fund. The department shall maintain records to account for the receipt and disbursement of:

- (1) proceeds of the taxes collected under this article;
- (2) revenue from the sale of bonds or other obligations related to the Convention Center/Waller Creek Venue Project; and
- (3) other money required by law to be deposited in the Venue Project Fund.

(B) The money in the Venue Project Fund shall be maintained in a depository bank of the City.

Source: 1992 Code Section 5-3-15; Ord. 031204-10; Ord. 031211-11.