

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 243-16

AN ORDINANCE

amending Chapter 26 of the City Code as it relates to tourism fees and the license tax on hotels and motels; and fixing the time when this ordinance shall become effective.

WHEREAS, on August 2, 2016, the qualified voters of the city approved Proposition 1 authorizing a temporary increase in the gross receipts license tax on hotels and motels from four percent (4%) to five percent (5%) on the gross daily rental receipts paid by transient guests for a maximum of twenty-three (23) years by a vote of 12,953 in favor and 6,410 opposed.

NOW, THEREFORE, 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.

During the period when the tax under section 26-78 of this Code is levied at a rate of five (5) percent, sixty (60) ~~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, tourism and economic development in the city. ~~Twenty-five (25-20)~~ 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. Twenty (20) percent of the taxes collected under this article shall be placed in a separate account to be used and expended by the city for planning and constructing airport terminal improvements. As provided in section 26-78, the rate of tax shall be reduced from five (5) percent to four (4) percent on or before January 1, 2040.

During the period when the tax under section 26-78 is levied at a rate of four (4) percent, 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, 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.

Sec. 26-78. Additional license tax—Levied; remittance.

(a) In addition to the license fees levied on hotels and motels pursuant to section 13-20 of this Code there is hereby levied upon every person engaged in the business of operating and carrying on the business of the operation of a motel or hotel, an additional license tax of ~~four (4)~~ five (5) percent of the gross daily rental receipts due from or paid by any transient guests at hotels or motels. Such tax shall decrease to four (4) percent on or before January 1, 2040.

(b) The said license tax under this section shall be remitted to the city manager or his designee monthly and shall be due and payable on or before the twentieth day of the month for the license tax due for the preceding month.

SECTION 2. This ordinance shall be in full force and effect from and after January 1, 2017.

PASSED this _____ day of _____, 2016.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor