



Department Source: Finance
To: City Council
From: City Manager & Staff
Council Meeting Date: August 7, 2023
Re: CVB Hotel Tax Transfer

Executive Summary

An appropriation from Convention & Visitors Bureau (CVB) Hotel Tax restricted for Airport to the Airport Fund.

Discussion

On August 2, 2016 voters approved a 1% increase to the gross receipts license tax on hotels and motels. The additional revenue is being used to assist in the funding of the New Airport Terminal bonds. An annual transfer from CVB to Airport is done to cover the portion of principal and interest payments allocated to be paid for by the hotel tax. In FY22 and FY23 the transfer amount was less than the portion needed to cover the principal and interest allocated to the hotel tax. In FY22 the transfer amount was \$81,490.00, it should have been \$401,695.12. In FY23 the transfer amount was \$81,490.00, it should have been \$405,149.40. This appropriation corrects the under allocation, and steps have been put in place to ensure the correct amount is allocated in future years.

Fiscal Impact

Short-Term Impact: This will decrease the Fund Balance of CVB by \$643,864.52, and increase the fund balance of Airport by the same amount.

Long-Term Impact: Same as short-term impact

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
9-19-2016	B243-16: Amending Chapter 26 of the City Code as it relates to tourism fees and license tax on hotels and motels.
9-6-2016	R119-16: Declaring the results of the election held in the City of Columbia Mo on Aug 2, 2016.
5-16-2016	R59-16: Expressing the City Council's intent to the citizens of Columbia to rollback any voter approved gross receipts license tax imposed on hotels and motels in excess of 4% prior to the expiration of 23 years.

Suggested Council Action

It is the recommendation of City Staff that council approves this ordinance.