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Hospitality & Tourism Industry Committee ISSUE PAPER

San Antonio Chamber of Commerce
San Antonio Hispanic Chamber of Commerce
North San Antonio Chamber of Commerce
South San Antonio Chamber of Commerce
San Antonio Mobility Coalition
West San Antonio Chamber of Commerce
San Antonio Mobility Coalition Inc.

Hotel Occupancy Tax Fund

LEGISLATIVE PRIORITY:

Hotel Occupancy Tax Fund

BACKGROUND:

Chapter 351 of the Tax Code provides for the “Imposition and Collection” of a Hotel Occupancy Tax (HOT). Funds collected must directly enhance and promote tourism and the convention and hotel industry from which they are collected. Hotel occupancy taxes collected must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues, which includes:

1. Funding the establishment, improvement, or maintenance of a convention center or visitor information center,
2. Administrative costs for facilitating convention registration,
3. Advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity,
4. Expenditures that promote the arts,
5. Funding historical restoration or preservation programs,
6. Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million,
7. Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities,
8. Funding transportation systems for tourists, and
9. Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

HOT funds collected play a key role to enhance and promote tourism. These funds have proven to be invaluable in the growth hospitality and tourism sector of San Antonio and the surrounding region providing economic opportunities for small businesses and their employees. Given the devastating negative economic impacts of Covid-19, it will take time to regain the lost

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economic prosperity in the hospitality and tourism sector. It is critical that HOT funds remain focused on the promotion and enhancement of facilities and events for which they are collected.

RECOMMENDATIONS:

Protect Local Hotel Tax from Non-Tourism Purposes

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