

## Legislation Text

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**File #:** 2617, **Version:** 1

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**CC MEETING:** May 3, 2016

**DATE:** April 26, 2016

**TO:** Leonard Martin, City Manager

**FROM:** Meredith A. Ladd, City Attorney

Discuss **Hotel Occupancy Tax Program.**

**BACKGROUND:**

In 2014, the City Council approved an agreement with Lowen Holdings, Ltd., for rebate of Hotel Occupancy Taxes pursuant to Texas Tax Code Sec. 351.101(a)(3). Lowen has submitted an annual budget that includes administrative expenses for activities authorized under (a)(3); however, such expenses are not specifically permitted under this section. Instead, the legislature added a provision in 1995 that provides for the rebate of administrative expenses directly related to authorized activities, if so approved by the governing body.

**FINANCIAL IMPLICATIONS:**

Limited. Use of HOT Funds are restricted and could not be otherwise used by the City for general fund purposes.

**STAFF RECOMMENDATION/ACTION DESIRED:**

This discussion seeks direction from Council regarding Lowen's requested amendment to the agreement to rebate administrative expenses directly related to activities authorized under Sec. 351.101(a)(3).

**ATTACHMENTS:**

Lowen Agreement