

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY OF NEW BRAUNFELS CODE OF ORDINANCES, CHAPTER 122-TAXATION, ARTICLE II- HOTEL OCCUPANCY TAX, SECTION 122-36-USE OF PROCEEDS, TO ALLOW USE OF HOTEL TAX REVENUES TO MEET THE CONVENTION AND TOURISM FUND RESERVE BALANCE OF THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, Chapter 122 of the Code of Ordinances contains regulations regarding collection and use of hotel occupancy taxes, in accordance with applicable state Tax Code requirements; and

WHEREAS, the current ordinance requires that a minimum of 15% of these funds must be used for artistic/cultural programs, a minimum of 35% for civic center, historical preservation, and promotional programs solely city operated and controlled, and the remaining 50% towards contracts authorized by the Texas Tax Code governing hotel occupancy taxes, which includes the contract between the City and the Greater New Braunfels Chamber of Commerce; and

WHEREAS, the City Council contracts with the Greater New Braunfels Chamber of Commerce (the “Chamber”) for services allowed by the Texas Tax Code, Chapter 351, related to use of hotel tax revenues; and

WHEREAS, the Chamber requires an increase to its Convention and Tourism Fund Reserve Balance from \$100,000 to \$700,000, however, the current ordinance limits funding for this type of contract to 50% of collections which is insufficient to meet this reserve requirement; and

WHEREAS, this amendment will allow the City to use funds from the 35% of total tax revenues described above for the purpose of maintaining the Chamber’s Convention and Tourism Fund Reserve Balance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS:

SECTION 1: That Chapter 122-Taxation, Article II, Hotel Occupancy Tax, of the City Code of Ordinances, Section 122-36-Use of Proceeds, is hereby amended to read as follows:

Sec. 122-36. Use of Proceeds.

The proceeds of the hotel occupancy tax levied by this article shall be used by the city council for the purpose of advertising and encouraging the growth of tourist and convention activity in the city, including the financial support of the civic center, and those purposes set forth in the Texas Tax Code; provided, however that the city shall use a minimum of 15 percent of the total hotel occupancy tax revenue for the enhancement of the arts and cultural organizations and programs.

Additionally, the city shall use a minimum of 35 percent of the total hotel occupancy tax revenue for the following: maintenance and improvement of the civic center; funding of historical preservation of the historic downtown area and other buildings with historic significance; solely city operated and controlled promotional programs that are allowed by state law; and to meet the annual fund balance/reserve requirement of the Convention and Tourism Fund in accordance with the contract between the City and the Greater New Braunfels Chamber of Commerce for the use of hotel occupancy tax. The remaining proceeds of the hotel occupancy tax shall be allocated by contract in accordance with the provisions of the city charter and the Texas Tax Code, as amended. Any contract may be for a period of time not to exceed five (5) years in duration. No later than 60 days after the end of each funding year of the contract, all recipients of any occupancy tax receipts under this article, other than the amounts deposited in city funds, shall submit an audited report to the city council, showing in detail the disbursement and use of all such amounts paid to each and the services or goods and/or merchandise received for the same. Thirty (30) days prior to the end of the contract period, each recipient shall forward to the city manager evidence of justification for the granting of a new contract by the city council for the future contract period. The receipt of any funds by any recipient shall not imply any right of automatic renewal of such contract for the ensuing years; such option under the charter of the city and the laws of the state shall rest exclusively with the city council.

SECTION 2: This Ordinance shall be and is hereby declared to be cumulative to all other ordinances of the City of New Braunfels relating to a municipal hotel occupancy tax within the City limits, and same shall not operate to repeal or affect any such ordinance or ordinances except insofar as the provisions of such ordinance or ordinances are inconsistent or in conflict with the provisions of this Ordinance, in which instance or instances those provisions shall be and they are hereby repealed.

SECTION 3: That if any provisions of this Ordinance shall be held void, illegal, or unconstitutional, it is hereby provided that all other parts of the same which are not held void, illegal or unconstitutional shall remain in full force and effect.

SECTION 4: This Ordinance shall take effect upon the second and final reading of the same.

PASSED AND APPROVED: First reading this 4th day of September, 2018.

PASSED AND APPROVED: Second reading this 10th day of September, 2018.

CITY OF NEW BRAUNFELS, TEXAS

Barron Casteel, Mayor

ATTEST:

Patrick D. Aten, City Secretary

APPROVED AS TO FORM:

Valeria M. Acevedo, City Attorney