



Legislation Text

File #: Ord. 2020-54, **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-54, on the first of two readings, amending section 78.103 of the San Marcos City Code to modify the amounts of additional fees to be assessed and paid on delinquent hotel occupancy taxes and to provide for a one percent discount against the amount of taxes due when timely paid; providing a savings clause; providing for the repeal of any conflicting provisions; and declaring an effective date.

Meeting date: August 4, 2020

Department: Convention and Visitor Bureau

Amount & Source of Funding

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Fiscal Note:

Prior Council Action: On April 7, City Council adopted an ordinance to temporarily wave the late charges and fee for delinquent payment of hotel occupancy taxes under sec 78.103 of the San Marcos City Code for payments due April, May and June. An extension was later granted to include payment due in July.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

- ☐ Neighborhoods & Housing - Choose an item.
- ☐ Parks, Public Spaces & Facilities - Choose an item.
- ☐ Transportation - Choose an item.
- ☒ Core Services
- ☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

In late March, a group of hotel owners requested the City of San Marcos review and revise Article 5 Hotel Occupancy Tax, Sec78.103 reporting and payment ordinance. The request was to lower delinquent penalties and fees amounts.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Current Ordinance: 15% penalty of the assessed HOT is due in addition to the amount of tax owed if taxes are postmarked/paid after the due date; **additional charge of 1% per month** of the total amount due, including penalties, will be assessed if payment is not received within 60 days of the due date (City of San Marcos Code of Ordinances Subpart A. Chapter 78, Article 5. Sec. 78.102)

Recommendation - Two-phase approach (See Attachment)

Phase One - August 2020 - September 2023

1st day - \$50 fee

31st day - \$75 fee

61st day - \$100 fee

91st day - 10% penalty of the assessed Hotel Occupancy Tax

Phase Two - October 2023 and beyond

1st day - \$100 fee

31st day - 10% penalty of the assessed Hotel Occupancy Tax

In addition to the change, allowing for a 1% discount of the HOT due per reporting cycle if paid on or before due date. (State of Texas Sec. 351.005) This has been discussed during hotel meetings for several years but had not been requested until now.