

CHAPTER 10 TAXATION

ARTICLE 10.03 HOTEL/MOTEL OCCUPANCY TAX*

Sec. 10.03.001 Levy; rate; exceptions

(a) There is hereby levied a tax upon the cost of occupancy of any room or space furnished by any hotel where such cost of occupancy is at the rate of two dollars (\$2.00) or more per day. Such tax shall be equal to seven percent (7%) of the consideration paid by the occupant of such room to such hotel.

(b) No tax shall be imposed under this article upon a permanent resident.

(c) No tax shall be imposed under this article upon a corporation or association organized and operated exclusively for religious, charitable or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(1998 Code, sec. 1.901)

Sec. 10.03.002 Collection

Every person owning, operating, managing or controlling any hotel or motel shall collect the tax imposed in section 10.03.001 for the city.
(1998 Code, sec. 1.902)

Sec. 10.03.003 Reports

On the last day of the month following each quarterly period, every person required to collect the tax imposed by this article shall file a report with the city manager showing the consideration paid for all room occupancies in the preceding quarter, the amount of tax collected on the city's behalf on such occupancies and any other information as the city manager may reasonably require. Such person shall pay over the tax due on such occupancies at the time of filing such report. There shall also be furnished to the city manager at the time of payment of such tax, a copy of the quarterly report filed with the state comptroller in connection with the state hotel occupancy tax. (1998 Code, sec. 1.903)

Sec. 10.03.004 Rules and regulations

The city manager shall have the power to make such rules and regulations as are necessary to effectively collect the tax levied in this article and shall, upon reasonable notice, have access to books and records necessary to enable him to determine the correctness of any report filed as required by this article and the amount of taxes due under the provisions of this article. (1998 Code, sec. 1.904)

Sec. 10.03.005 Use of revenue

(a) The revenue derived from any hotel occupancy tax imposed and levied by this article may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

- (1) The acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention or civic center facilities (as such is defined V.A.T.S. Tax Code, section 351.001);
- (2) The furnishing of facilities, personnel, and materials of the registration of convention delegates or registrants;
- (3) Advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) The encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recordings, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;

(5) Historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums which are located in the municipality or its vicinity that would be frequented by tourists, convention delegates, or other visitors to the municipality;

(6) Expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity; and

(7) A transportation system used to transport tourists from hotels in and near the municipality to:

(A) The commercial center of the municipality;

(B) A convention center in the municipality;

(C) Other hotels in or near the municipality; and

(D) Tourist attractions in or near the municipality, provided that the transportation system is owned and operated by the municipality or privately owned and operated but partially financed by the municipality.

(Ordinance CO39-09-03-12-C1 adopted 3/12/09)

(b) Revenue derived from the hotel occupancy tax shall be expended only in a manner which directly enhances and promotes tourism and the convention and hotel industry as hereinbefore delineated. Such revenue shall not be used for the general revenue purposes or general governmental operations of the municipality which are not directly related to promoting the hotel and convention industry or tourism in the municipality. (1998 Code, sec. 1.905)

Sec. 10.03.006 Violations

If any person required by the provisions of this article to collect the tax imposed in this article, make reports as required and pay to the city manager the tax imposed in this article, shall fail to collect such tax, shall fail to file such report, or shall fail to pay such tax, or if such person shall file a false report, such person shall be deemed guilty of a misdemeanor. (1998 Code, sec. 1.906)

Sec. 10.03.007 Penalties

If any person shall fail to file a report as required in this article or shall fail to pay to the city manager the tax as imposed in this article when such report or payment is due, he shall forfeit five percent (5%) of the amount due as a penalty and after the first thirty (30) days he shall forfeit an additional five percent (5%) of such tax; provided, however, that the penalty shall never be less than one dollar (\$1.00). Delinquent taxes shall draw interest at the rate of twelve percent (12%) per annum beginning sixty (60) days from the due date. (1998 Code, sec. 1.907)