Legislation Details (With Text)

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On agenda:	5/21/2018	**Final action:**	
Title:	Review of the FY19 Business and Industry Fund Budget		
Sponsors:			
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Attachments:	1. B&I Cash Flow 4-24-18.pdf, 2. History of the B&I Tax.pdf		

Date	Ver.	Action By	Action	Result
5/21/2018	1	Finance and Budget Committee		

Review of the FY19 Business and Industry Fund Budget

Issue/Request:
Review of the FY19 Business and Industry Fund Budget

Key Issues:
The Business and Industry Fund accounts for earmarked tax revenues and expenditures from the Hotel/Motel Tax, or bed tax. The bed tax is a 5% gross receipts tax on hotel/motel reservations that is used to help fund economic development and tourism efforts. In the past the proceeds from this tax have helped fund initiatives from the Chamber of Commerce, Economic Development Council, and Downtown Main Street.

One change proposed for FY19 is to fund community marketing efforts using the hotel/motel tax. Previously, community marketing was funded from the City's general fund. In an effort to add capacity for priorities such as wages, the expense was reallocated to the Business and Industry Fund.

Attached to this packet is the annual cash flow statement which itemizes the expenditure amounts proposed for this fund in FY19.

Proposed City Council Motion:
N/A - Presentation

Background:
The Hotel/Motel Tax was approved by voters in 1998. Since its adoption the tax has helped fund community marketing, tourism, and the attraction and retention of new and existing businesses. Currently the Business and Industry Fund has a reserve balance of $335k or 88% or expenditures.

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