

ORDINANCE NO.: _____

**ORDINANCE TO AMEND ARTICLE VI, CHAPTER 36 OF
THE CITY OF MEMPHIS, CODE OF ORDINANCES TO INCREASE
THE EXISTING HOTEL/MOTEL OCCUPANCY TAX TO 5%**

WHEREAS, in accordance with applicable state law, Ordinance No. 4824 was previously adopted by the Council of the City of Memphis for the express purpose of establishing a hotel/motel occupancy tax for the City of Memphis; and

WHEREAS, pursuant to Ordinance No. 4824, the City currently imposes a hotel/motel occupancy tax in the amount of one and seven-tenths percent (1.7%) of the consideration charged by the operator against each transient occupying a hotel room within the municipal limits of Memphis; and

WHEREAS, on May 21, 2002, Ordinance No. 4824 was amended by adoption of Ordinance No. 4939 which specified the distribution of all proceeds of the City's hotel/motel occupancy tax and eliminated the sunset provision included in Ordinance No. 4824; and

WHEREAS, pursuant to Section 67-4-1402 of the Tennessee Code Annotated, the City of Memphis is authorized to impose a hotel/motel occupancy tax in an amount up to five percent (5%) of the consideration charged by each hotel operator; and

WHEREAS, the Council believes that it is appropriate and in the best interests of the citizens of Memphis that the existing hotel/motel tax be increased to five percent (5%).

NOW THEREFORE,

SECTION 1. BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, that Part 1, Section 2 of Ordinance No. 4824 codified as Section 36-122 of the City of Memphis, Code of Ordinances is hereby amended to read as follows:

The City hereby levies a privilege tax upon the privilege of occupancy in a hotel of each transient. Such tax shall be in the amount of five percent (5%) of the consideration charged by the operator for such occupancy and shall be collected and distributed as provided in this article.

SECTION 2. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS, that Part I, Section 9 of Ordinance No. 4824 as amended and codified as Section 36-129 is hereby amended to read as follows:

(a) Through and until June 30, 2016, **1.7% of the 5%** tax levied under this article shall be collected by the city and distributed as follows:

1. The revenue from such tax shall first be applied to payment of bonded indebtedness, principal and interest including expenses of the bond sale or sales to fund the construction or renovation of the Cook Convention Center up to the principal amount of Thirteen Million Dollars (\$13,000,000), provided however that in the event that revenues from the Memphis Tourism Development Zone (TDZ) or another City of Memphis revenue source is substituted for the taxes hereunder for payment of the said outstanding bonded indebtedness, then the Hotel/Motel tax amounts designated herein will thereafter be used to fund the New Memphis Arena project or such other projects and purposes as the City Council shall determine.

2. Notwithstanding any of the provisions contained herein to the contrary, any revenues produced from **1.7% of the 5% tax levied under this article** over and above that amount which is required for each year's debt service on the outstanding bonded indebtedness incurred by the City for the construction or renovation of the Cook Convention Center, shall be used to provide operating revenue first, for the Wonders International Cultural Series, or its successor organization, in the amount of Four Hundred Thousand Dollars (\$400,000) for the city's fiscal year 2001 and Five Hundred Thousand Dollars (\$500,000) for fiscal years 2002 and 2003, and second for the Coliseum in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the city's fiscal years 2002 and 2003.

3. If there are excess revenues remaining after each year's debt service on the outstanding bonded indebtedness incurred by the city for construction or renovation of the Cook Convention Center and after operating funding has been provided for the Wonder's International Cultural Series, or its successor organization, and The Coliseum, as provided in Section (a)(1) and (a)(2) above, then such excess will be provided to the Memphis Convention and Visitor's Bureau for additional marketing, advertising and promotion of the Memphis and Shelby County hospitality industry.

(b) From July 1, 2016 and thereafter, **1.7% of the 5% tax** levied under this article shall be collected by the City and applied to payment of bonded indebtedness, principal and interest, of the bond sale or sales by the Memphis and Shelby County Sports Authority for the purpose of development and construction costs of a new Memphis Sports Arena, built by the New Memphis Arena Public Building Authority, to fund the construction of the NBA arena, until paid in full, and thereafter to such other projects and purposes as the City Council shall determine.

(c) Upon the effective date of this ordinance, 3.3% of the 5% tax levied hereunder shall be used for the purpose of funding the following tourist

related attractions and programs and other such projects as the City Council shall determine:

Pink Palace Museum
Riverfront Development
Convention Center
Zoological Center
Brooks Museum
Botanic Gardens
Nature Center
Music Commission
Historic Homes
Film & Tape Commission
Urban Art

SECTION 3. BE IT FURTHER ORDAINED, That the provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases or parts is held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 4. BE IT FURTHER ORDAINED, That all parts of Ordinances Nos. 4824 and 4939, except as amended herein, shall remain in full force and effect.

SECTION 5. BE IT FURTHER ORDAINED, That this Ordinance shall take effect from and after the date it shall have been passed by the City Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

Myron Lowery, Chairman
Memphis City Council

ATTEST:

Comptroller

(c) Upon the effective date of this ordinance, 1% of the 2.7% tax levied hereunder shall be used for the purpose of funding the following tourist related attractions and programs and other such projects as the City Council shall determine:

- Pink Palace Museum
- Riverfront Development
- Convention Center
- Zoological Center
- Brooks Museum
- Botanic Gardens
- Nature Center
- Music Commission
- Historic Homes
- Film & Tape Commission
- Urban Art

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THE FOREGOING ORDINANCE
5439 PASSED

1st Reading 1-3-12
2nd Reading 1-7-12
3rd Reading "Failed" / 5-15-12
Approved "Failed"
Chairman of Council

Myron Lowery, Chairman
Memphis City Council

Date Signed: _____

ATTEST:

Approved: "Failed"
Mayor, City of Memphis

Comptroller

Date Signed: _____

I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above indicated and approved by the Mayor.

"Failed"
Comptroller