

## Staff Report

**Subject:** Renewal of the Agreement for Lodging Excise Tax Distribution with the Effingham County Chamber of Commerce.

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**Department:** Purchasing

**Meeting Date:** September 17, 2024

**Item Description:** Consideration to renew the Agreement for Lodging Excise Tax Distribution with the Effingham County Chamber of Commerce.

**Summary Recommendation:** Staff recommends renewal of the Agreement for Lodging Excise Tax Distribution with the Chamber of Commerce.

### **Executive Summary/Background:**

- Effingham County has an ongoing agreement with the Chamber of Commerce for the distribution of lodging excise tax. This agreement has been in place since July 1, 2013, with terms running through June 30, 2014, and the option to renew annually unless terminated.
- The Board of Commissioners approved the lodging excise tax, commonly referred to as the "hotel/motel tax," in June 2013. The ordinance imposes a 5% tax on lodging charges in unincorporated areas, excluding exempt properties. Of the total tax collected, the county is required to allocate 40% for the purpose of promoting tourism, conventions, and trade shows, specifically under a contract with a 501(c)(6) nonprofit, as stipulated by O.C.G.A. 48-13-50.2(3).
- The current agreement with the Chamber of Commerce allocates 80% of the lodging excise tax revenue to the Chamber for these promotional purposes.
- This agreement has been previously reviewed and approved by the county attorney.

### **Alternatives for Commission to Consider:**

1. Approve the renewal of the lodging excise tax distribution agreement with the Chamber of Commerce for the period July 1, 2024, through June 30, 2025.
2. Cancel the agreement with the Chamber of Commerce.

**Recommended Alternative: 1**

**Other Alternatives: 2**

**Department Review:** Purchasing

**Funding Source:** Lodging excise tax proceeds received by the County.

**Attachments:**

1. Lodging Excise Tax Agreement
2. Chamber Hotel Motel Budget FY25.