



CITY OF  
**FORESTPARK**

## City Council Agenda Item

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**Subject:** Resolution to Request Local Legislation to Increase Hotel-Motel Tax – Executive and Legal

**Submitted By:** Michael Williams

**Date Submitted:** August 29, 2023

**Work Session Date:** September 5, 2023

**Council Meeting Date:** September 5, 2023

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### Background/History:

It is proposed that the City Council initiate the process of increasing the hotel-motel tax to 8% by approving a resolution calling on the Clayton County Legislative Delegation to pass local legislation authorizing the City of Forest Park to do so.

The City currently imposes a 3% hotel-motel tax. State law provides that cities can increase the tax to up to 8% after adopting a resolution urging the passage of local legislation by the Georgia General Assembly. Once the local legislation is approved by the General Assembly, the City may thereafter approve an ordinance providing for the increased tax and the usage of the additional revenue.

Under the State law, the revenue from the tax must be used as follows:

- The first 3% may be used for general fund purposes.
- The next 3.5% must be used for promoting tourism, conventions, and trade shows within Forest Park by contracting with a destination marketing organization (such as a convention and visitor's bureau) for such purpose.
- Any amount of the final 1.5% that is not used for promoting tourism, conventions, and trade shows shall be expended for tourism product development.

State law defines "Tourism product development" as the expenditure of funds for the creation or expansion of physical attractions which are available and open to the public and which improve destination appeal to visitors, support visitors' experience, and are used by visitors. Such expenditures may include capital costs and operating expenses. Some specifically named items in the state code include:

- Meeting, convention, exhibit, and public assembly facilities;
- Visitor information and welcome centers;
- Wayfinding signage;
- Museums, art galleries, gardens;

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- Parks, trails, and other recreational facilities; or
  - Performing arts facilities.

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**Cost: \$ None**

**Budgeted for:** \_\_\_\_\_ **Yes** \_\_\_\_\_ **No**

**Financial Impact:**

This will increase the hotel motel tax from 3% to 8%.

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**Action Requested from Council:**

Approval of the resolution.