



CITY COUNCIL AGENDA ACTION FORM

AGENDA DATE:	12/14/2021		
AGENDA SUBJECT:	Discussion, consideration, and possible action on Resolution adopting an amended Interlocal Agreement for Hotel Occupancy Tax (HOT) Services.		
PREPARED BY:	City Administrator Leamons	DATE SUBMITTED:	12/06/2021
EXHIBITS:	Slide from Comptroller's Symposium and Texas Tax Code 351.101(11)(c); Resolution adopting amended Interlocal Agreement for Hotel Occupancy Tax (HOT) Services		
BUDGETARY IMPACT:	Required Expenditure:	\$00.00	
	Amount Budgeted:	\$00.00	
	Appropriation Required:	\$00.00	
CITY ADMINISTRATOR APPROVAL:			
SUMMARY:	<p>While attending an Economic Development Symposium hosted by the State Comptroller, City Administrator Leamons learned that Texas Tax Code 351.101(11)(c) requires a city which contracts with a private or government entity to manage its HOT funds, annually, must approve a budget governing how those funds are spent. The City's Interlocal Agreement for HOT Services states, "County shall make expenditures of HOT funds in conformance with the County's budget. City acknowledges that County had full control of this budget as it is now considered County's fiduciary duty with respect to the HOT Funds collected to ensure the money is spent in accordance to Texas Hotel Tax Laws." This provision needs to be revised to conform to the above-noted requirement. The Agreement also provides that, "This Agreement shall be construed in accordance with the laws of the State of Texas, and in particular with Chapter 351 of the Texas Tax Code," so more than anything else, clarifying the need for an annual Council-approved HOT funds budget is a housekeeping matter. At Mayor Douglas's request City Attorney Pendleton is working with County Attorney Lucas, who drafted the original agreement, to come up with the wording necessary to bring this portion of the Agreement addressing budgetary matters into full compliance with the requirements of Chapter 351. The remainder of the Agreement appears to be consistent with the requirements found in that chapter.</p>		
RECOMMENDED ACTION:			
	Approve Resolution Adopting Amended Interlocal Agreement for Hotel Occupancy Tax (HOT) Services .		