

# LOCAL MUSIC AWARENESS INITIATIVE

UTILIZING HOTEL OCCUPANCY TAX DOLLARS TO BOOST THE LOCAL MUSIC ENTERTAINMENT INDUSTRY

# WHAT IS A HOTEL OCCUPANCY TAX

## Layman's Definition:

Hotel owners, operators or managers must collect *state* hotel occupancy tax from their guests who rent a room or space in a hotel costing \$15 or more each day. The tax applies not only to hotels and motels, but also to bed and breakfasts, condominiums, apartments and houses. *Local* hotel taxes apply to sleeping rooms costing \$2 or more each day.

# A BRIEF HISTORY OF HOTEL OCCUPANCY TAX

- In September of 2019, Austin City Council Voted for a 2 percent increase in HOT funds (from 7 percent to 9 percent) which were to be used for Cultural Arts, Historic Preservation, and Music
- CITY CODE SECT 11-2-8B **funded the Convention Center expansion**

# HOW IT WORKS - HOTEL OCCUPANCY TAX

The two percent increase is drilled down into three buckets

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- **Historic Preservation**
- **Music Performance/Studio Recording/etc.**

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- 15 Percent of 2 percent goes to Historic Preservation Fund
- 15 Percent of 2 percent goes to Cultural Arts (Nexus, Elevate, Thrive)
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- These funds are collected in a city fiscal year which starts in October and end in September of each year

# THE FUNDING - HOTEL OCCUPANCY TAX

In September of 2023 it was reported that the end of year intake purposed for the Live Music Fund was greater than expected. That amount was **429,807.00**

ALMF is funded for at least the next fiscal year.

There's a cushion of at least 1M dollars in the event of a tourism drop

And there is funding left over for possible further utilization.

THE PROPOSAL

**LOCAL ENTERTAINMENT PROMOTION FUND**

Aims to boost awareness of local artists in the Live Music Capital of the World.

Aims to assist venues in their promotional needs for local shows.

Would lead to an increase in both bar and ticket sales from patrons either visiting  
Or that live in Austin and the surrounding areas.

CHRIS HAWKES // MIRANDA DAWN HAWKES

Radio Promotional Campaign centered specifically around local Artists

## OTHER IDEAS AND UTILIZATIONS

### MICRO GRANTS

- MUSIC VENUES
- INDEPENDENT PROMOTERS
- ARTISTS

## **MICROGRANT OPPORTUNITY**

Facilitating this kind of opportunity may also propose either another vendor  
Or at least a broadening of support for other vendors to be available

## WHY THE LOCAL ENTERTAINMENT PROMOTION FUND IS NECESSARY

- The better a show is promoted, the more people will show up.
- Advertising on social media is becoming increasingly more expensive
- Venue offers are becoming steeper and steeper as many of them look to increase their margins
- Rises in cost of living, and inflation make it more difficult for musicians to actually have the funds to put on showcases year round

