

Allocation of Hotel Tax Funds*

Digest by the Ballot Simplification Committee

Status: Final Digest

On: Wednesday, August 10, 2016

Members: Packard, Anderson, Fasick, Fraps, Jorgensen

Deadline to Request Reconsideration: 11:30 a.m. on Thursday, August 11

The Way It Is Now: The City currently imposes a hotel tax on the rental of hotel rooms. The tax is 14% (an 8% base tax and an additional 6% tax surcharge). The tax goes into the General Fund, and the Board of Supervisors may allocate the money for any public purpose.

The Arts Commission is a City agency that receives funding from the General Fund. The Arts Commission:

- funds arts programs for youth, community and arts education;
- approves designs of City-owned structures;
- oversees City-owned cultural centers; and
- selects art for City buildings and public spaces.

The Arts Commission provides money to the City's Cultural Equity Endowment Fund, from which the City gives grants to:

- arts organizations that represent historically underserved communities;
- individual artists; and
- nonprofit organizations that provide affordable facilities for artists and arts organizations.

The City's War Memorial and Performing Arts Center (War Memorial complex) consists of the War Memorial Opera House, Davies Symphony Hall, Herbst Theatre, the Green Room and Zellerbach Rehearsal Hall. The City allocates money each year to maintain, improve and operate the War Memorial complex.

The City's Grants for the Arts Program provides money from the General Fund for nonprofit arts and cultural organizations.

The City allocates money each year to maintain, improve and operate Moscone Center, the City's convention and exhibition complex in the South of Market neighborhood.

The Proposal: Proposition ___ is an ordinance that would allocate part of the current hotel base tax for two different areas: arts programs and family homeless services. It would not change the existing hotel tax rate.

It would require the Board to annually allocate the money raised by the 8% base tax on the rental of hotel rooms to:

- the Moscone Center, up to 50%;
- the Arts Commission, 2.9%; and
- the War Memorial complex, 5.8%.

The Grants for the Arts Program and the Cultural Equity Endowment Fund would each receive 7.5% by 2020.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

Proposition ___ would also establish the Neighborhood Arts Program Fund to provide money and assistance to nonprofit organizations that establish or improve affordable facilities for artists and arts organizations. Money from this Fund would also be provided to artists and nonprofit organizations to create art experiences in San Francisco. The Arts Commission would administer this Fund. Each year it would receive a percentage of the money raised by the hotel base tax, up to 6% by 2020.

Proposition ___ would also establish the Ending Family Homelessness Fund, which each year would receive 6.3% of money raised by the hotel base tax. This Fund would provide subsidies and case management programs to house homeless families; provide services to low-income families at risk of becoming homeless; and develop, rehabilitate and acquire new housing for homeless families.

A "YES" Vote Means: If you vote "yes," you want to use the money raised by the current base tax on the rental of hotel rooms to provide specific funding for two different areas: arts programs and family homeless services.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.