

Partial Allocation of Hotel Tax for Arts and Cultural Purposes*

Digest by the Ballot Simplification Committee

Status: Final digest

On: Monday, July 30, 2018

Members: Packard, Anderson, Patterson, Raveche

Deadline to Request Reconsideration: 5 p.m. on Tuesday, July 31

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

The Arts Commission is a City agency that receives money 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.

In addition to funding the Arts Commission, the City runs other programs that fund nonprofit organizations to support arts activities and help neighborhoods maintain their unique cultural heritage.

The Proposal: Proposition ___ would distribute up to 1.5 percent of the money raised from the current 8 percent base hotel tax for specified arts and cultural purposes. It would not change the hotel tax rate of 14 percent.

In each fiscal year, it would require the City to make a distribution of set dollar amounts for these designated arts and cultural uses:

- \$16.3 million to support nonprofit cultural organizations;
- \$6.4 million for programs related to the Cultural Equity Endowment;
- \$3.8 million to support City-owned community cultural centers;
- \$3 million to support communities working to maintain cultural heritage in City neighborhoods; and
- \$2.5 million to address needs in the arts community, as determined by a cultural services allocation plan.

Dollar amounts will change subject to the receipt of tax revenues.

After all of these distributions have been made for a fiscal year, any remaining portion of the funds would go into the General Fund.

A "YES" Vote Means: If you vote "yes," you want the City to distribute up to 1.5 percent of the current base hotel tax for specific arts and cultural purposes.

A "NO" Vote Means: If you vote "no," you do not want the City to make this distribution.

**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.*