

Allocation of Hotel Tax Funds*

Digest by the Ballot Simplification Committee

Status: Draft for Consideration

On: Wednesday, August 10, 2016

Members: Packard, Anderson, Fasick, Fraps, Jorgensen

Deadline to Request Reconsideration: TBD

The Way It Is Now: The City imposes a hotel tax on the operation of hotels in San Francisco. The hotel tax consists of an 8% base tax and an additional 6% tax surcharge on the rental of hotel rooms. The Board may allocate the money from the hotel tax for any public purpose

The Arts Commission is a City agency that receives funding from the General Fund. The Arts Commission's functions include funding arts programs, approving the designs of City-owned structures, and overseeing City-owned cultural centers and the selection of art in 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 organizations to create art; and non-profit organizations that provide affordable facilities for artists and arts organizations.

The City's War Memorial and Performing Arts Center ("War Memorial") consists of the War Memorial Opera House, Davies Symphony Hall, Herbst Theatre, the Green Room, and Zellerbach Rehearsal Hall. The Board allocates money from the General Fund to maintain and operate the War Memorial.

The City's Grants for the Arts Program provides funding to non-profit arts and cultural organizations. The Board allocates money from the General Fund to this Program.

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

The Proposal: Proposition ___ would require the Board to allocate annually the money raised by the 8% base tax on the rental of hotel rooms for these specific purposes: the Arts Commission would receive 2.9%; the War Memorial would receive 5.8%; the Grants for the Arts Program would receive 7.5% by 2020; the Cultural Equity Endowment Fund would receive 7.5% by 2020; and the Moscone Center would receive up to 50%.

This measure would also establish the Ending Family Homelessness Fund, which each year would receive 6.3% of the money raised by the base tax. The City would use this Fund to provide subsidies and case management programs to help homeless families find housing and stabilize in their current housing; provide services to low-income families that are at-risk of becoming homeless; and develop, rehabilitate, and acquire new housing for homeless families.

This measure would also establish the Neighborhood Arts Program Fund, which each year would receive 6% of the money raised by the base tax by 2020. The City would use this Fund to provide money and assistance to non-profit organizations that establish or improve affordable facilities for artists and arts organizations. The City would also provide money from this Fund to artists and non-profit organizations to create art experiences in San Francisco. The Arts Commission would administer this Fund.

Money raised by the base tax that is not allocated for any of the above purposes and is not spent on tax administration and refunds, would be deposited into the General Fund.

A "YES" Vote Means: If you vote "yes," you want the City to allocate annually the money raised by the base tax on the rental of hotel rooms for these specific purposes: the Arts Commission would receive 2.9%; the War Memorial would receive

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5.8%; the Grants for the Arts Program would receive 7.5% by 2020; the Cultural Equity Endowment Fund would receive 7.5% by 2020; and the Moscone Center would receive up to 50%. You also want to establish the Ending Family Homelessness Fund, to which the City would allocate annually 6.3% of the money raised by the base tax; and establish the Neighborhood Arts Program Fund, to which the City would allocate annually 6% of the money raised by the base tax.

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