

STATE OF TEXAS

**A RESOLUTION OF THE CITY COUNCIL OF SEGUIN, TEXAS IN RESPONSE TO THE BUSINESS CLIMATE CAUSED BY THE COVID-19 PANDEMIC APPROVING A CHAPTER 380 AGREEMENT FOR A ONE-TIME HOTEL MOTEL TAX REBATE PROGRAM FOR CITY HOTELS IS ESTABLISHED ALONG WITH A PAYMENT ARRANGEMENT FOR PAST DUE HOTEL MOTEL TAX RECEIPTES; AND DECLARING AN EFFECTIVE DATE**

**WHEREAS**, in early March travel and related businesses began an extreme slow down due to the pandemic caused by the novel COVID-19 virus; and

**WHEREAS**, on March 19, 2020 the Governor issued Executive Order GA-08 effectively closing all non-essential businesses, including restaurants for in house dining; and

**WHEREAS**, as a result of the business closings and cessation of all sports activities, coupled with a near complete loss of business from the oil fields, the hotel industry has about a 25% occupancy rate that normally runs between 60-80% during the spring season; and

**WHEREAS**, the hotel industry charges a city hotel motel tax on each room rented remitting those funds to the City on a quarterly basis; and

**WHEREAS**, under the extreme circumstances that exist as a result of the COVID-19 pandemic the City finds that a rebate of some of those funds would assist the hotel industry in maintaining its needed presence in the City of Seguin; and

**WHEREAS**, the existence of sufficient hotel and motel space is essential to maintaining and developing economic development within the City; and

**WHEREAS**, under Chapter 380 of the Texas Local Government Code the City can grant funds to businesses for economic development purposes.

**NOW THEREFORE BE IT RESOLVED** by the City Council of Seguin, Texas:

**PART ONE.** The City Council hereby approves a Chapter 380 Agreement with the Hoteliers in Seguin for a Hotel Motel Tax Rebate available for hotels and motels renting at least 5 separate rentable rooms not operating under VRBO or Airbnb.

**PART TWO.** The rebate will be based upon Hotel Motel Tax revenue paid to the City of Seguin during FY2019 as follows:

- a. More than \$100,000 - \$5,000 rebate
- b. Between \$50,000 and \$100,000 - \$3,500 rebate
- c. Between \$25,000 and \$50,000 - \$2,500 rebate
- d. Between \$10,000 and \$25,000 - \$1,500 rebate
- e. Between \$1,000 and \$10,000 - \$1,000 rebate

**PART THREE.** To receive this rebate each applicant must:

(a) pay the Hotel Motel Taxes for the quarter ending March 31, 2020 no later than April 30, 2020; or

(b) file the required report showing the amount of Hotel Motel Taxes due to the city and enter into a payment plan wherein 25% of the taxes due are to be paid by May 29, 2020 with the remainder of the taxes due in three equal installments due June 30, 2020, July 31, 2020 and August 31, 2020. Payments made after the established deadlines shall be subject to a 1.5% penalty applied to the entire amount due.

**PART FOUR.** This resolution is in effect on and after the date of its passage.

**PASSED AND APPROVED** this 5<sup>th</sup> day of May 2020.

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**DON KEIL, MAYOR**

**ATTEST:**

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**Naomi Manski  
City Secretary**