

Ordinance No. 230362

Recreational Marijuana Sales Tax

Finance Department

Finance, Governance, and Public Safety Committee

May 10, 2023



Ordinance No. 230362

3% Sales Tax - Recreational Marijuana

- Purpose

- Codifies 3% sales tax approved by voters on April 4, 2023

- Effective Date

- October 1, 2023 – per Missouri Dept of Revenue
- First revenues to City expected in December 2023

- Uses (Resolution No. 230159)

- One-third to each of:
 1. Neighborhood clean up
 2. Homelessness response efforts
 3. Violence prevention efforts

- Estimated Revenue

- **\$3 million** annually
- FY2023-24 prorated revenue = **\$1.25 million**

Ordinance No. 230363

Hotel and Short Term Rental License Fees

Finance Department

Finance, Governance, and Public Safety Committee

May 10, 2023



Ordinance No. 230363

Hotel and Short Term Rental License Fees

- Purpose

- Codifies hotel and short-term rental license fees approved by voters on April 4, 2023
 - Modifies Section 40-111, Code of Ordinances, to increase the hotel license fee from \$1.50 to \$3.00
 - Creates Section 40-168, Code of Ordinances, to impose the \$3.00 license fee on short term rental units

- Uses

- 50% for repayment of project financing for T-Mobile Center
- 50% for Convention and Tourism purposes

Ordinance No. 230363

Hotel and Short Term Rental License Fees

- Effective Date

- **August 1, 2023**
- Collected by Finance Department, Revenue Division in same manner as current license fee.
- Staff has begun working with hosting platforms (AirBNB, VRBO, Expedia, etc.) to determine the best way to collect these new fees.

- Estimated Revenue

- Additional Convention and Tourism revenue - **\$4.1 million** annually
- Additional Arena Fee revenue - **\$250,000** annually
- FY2023-24 prorated amount - **\$3.1 million** and **\$187,500**, respectively

Ordinance No. 230364

7.5% Transient Boarding and Accommodation Tax

Finance Department

Finance, Governance, and Public Safety Committee

May 10, 2023



Ordinance No. 230364

7.5% Transient Boarding and Accommodation Tax

- Purpose

- Codifies 7.5% tax on short term rental units approved by voters on April 4, 2023

- Effective Date

- **August 1, 2023**
- Collected by Finance Department, Revenue Division in same manner as existing hotel/motel tax
- Staff has begun working with hosting platforms (AirBNB, VRBO, Expedia, etc.) to determine the best way to collect these new taxes.

- Uses

- Convention and Tourism purposes

- Estimated Revenue

- Approximately **\$2.1 million** annually
- FY2023-24 prorated amount = **\$1.575 million**