



NEWS RELEASE

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Council adopts increase in Hotel/Motel Tax for Tourism

Added Revenues Would Help Build New TSSA Soccer Complex at Siegel Park

MURFREESBORO, Tenn. — The Murfreesboro City Council adopted on first reading Thursday (Jan. 17) an increase in the Hotel/Motel occupancy tax from 2.5 percent to 5.0 percent per stay. A second reading to authorize the increase will go to Council Jan. 31 with an effective date of July 1, 2019. The tax has not been raised since May 1993.

Currently, the City allocates 30 percent of the estimated \$1.7 million generated annually by the Hotel/Motel occupancy tax to the Rutherford County Convention & Visitor's Bureau (CVB), which promotes tourism, events and hospitality. Another 10 percent is allocated to the Stones River Trail maintenance costs. The remainder is portioned into the City's General Fund but used for Parks & Recreation facilities such as Adams Tennis Complex, baseball and soccer fields and other amenities that attract visitors to the community.

Under the proposed 2.5 percent increase, the funding allocation for CVB would change to 15 percent but the anticipated funding amount would remain the same. The percentage for Trail maintenance would change to 5 percent but the anticipated funding amount would also stay the same with the overall tax increasing to 5.0 percent.

"The remaining 80 percent of the doubling of the \$1.7 million in FY20 will go to the General Fund to promote tourism and secure economic development projects that enhance business relocation and employment opportunities," said City Manager Craig Tindall. "We think much of those funds should go toward helping the City fulfill an agreement to build a new soccer facility for TSSA by enhancing the Siegel Soccer Complex."

The Tennessee State Soccer Association voted December 1, 2018, to accept the City of Murfreesboro as the site of its new facility based on a proposal from the City to expand the Richard Seigel Soccer Complex on Cherry Lane. The five-year lease calls for 15 soccer fields, including 9 new synthetic fields, a 2,000-plus seat championship stadium, an indoor training center, classrooms and offices. Tournaments and activities are expected to generate 20,000 annual hotel room bookings.

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“Tourism and visitors economically benefit the citizens of Murfreesboro through increased employment and entrepreneurial opportunities, advanced infrastructure improvements, and enhanced lifestyle amenities while fathering cultural preservation and community traditions,” according to Ordinance 19-0-01 amending City Code to authorize the tax increase.

Rutherford County increased its Hotel/Motel occupancy tax to 5.0 percent in 2016, earmarked for fire service in unincorporated areas. Even with the City’s increase, the typical room rate in Murfreesboro will still be less than rates in Nashville.

“Groups and associations are expected to continue booking hotel rooms and conferences in Murfreesboro where the overall cost is less and access to restaurants and other amenities is quite accessible,” added Tindall.

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Photo and Graphic attached:

1. *Aerial View Siegel Soccer Complex Expansion Site Plan.jpg*

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