



GEORGIA DEPARTMENT
of COMMUNITY AFFAIRS

Community Development Division

Hotel/Motel Tax

Updated December 2025

Office of Research

Creates and collects several required reports and surveys from Local Governments and Local Government Authorities

Report of Local Government
Finance (RLGF)

Government Management
Indicators Survey (GOMI)

Debt Issuance Report

Annual Authority Registration
and Financial Report (AARF)

Hotel/Motel Tax

The Role of DCA



Repository

Maintain records of all ordinances and enabling legislation



Reporting

Promulgate an annual report on the tax rate, contracted entities, revenue, and expenditures



PRB

Convene the Performance Review Board annually to review bona fide HMT complaints



Logistics

Assist local governments with questions, though *not* with legal guidance. Provide information and training programs

History of Hotel Motel Tax in GA

1975

HB248 in the 1975 legislative session permitted counties and municipalities to impose a Hotel/Motel tax

1976

The City of Brunswick adopts Georgia's first Hotel/Motel Tax

2008

There were 24 different HMT authorization paragraphs, so HB 1168 reduced the number of authorizations for newly or changed HMT to three (3) options

2021

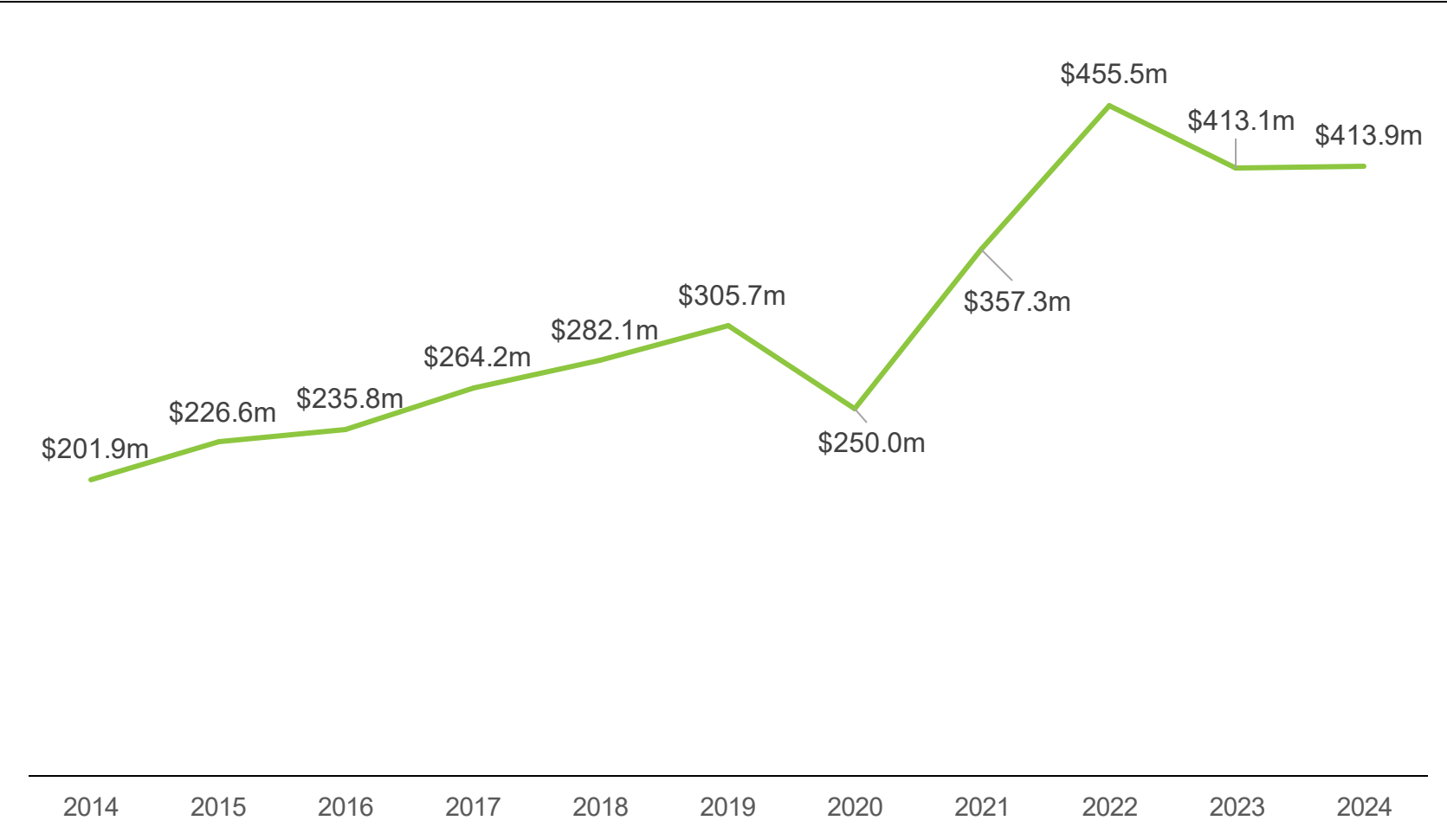
HB317 changed the definition of an innkeeper to include marketplace facilitators such as Airbnb, VRBO, and HomeAway

Reporting Compliance

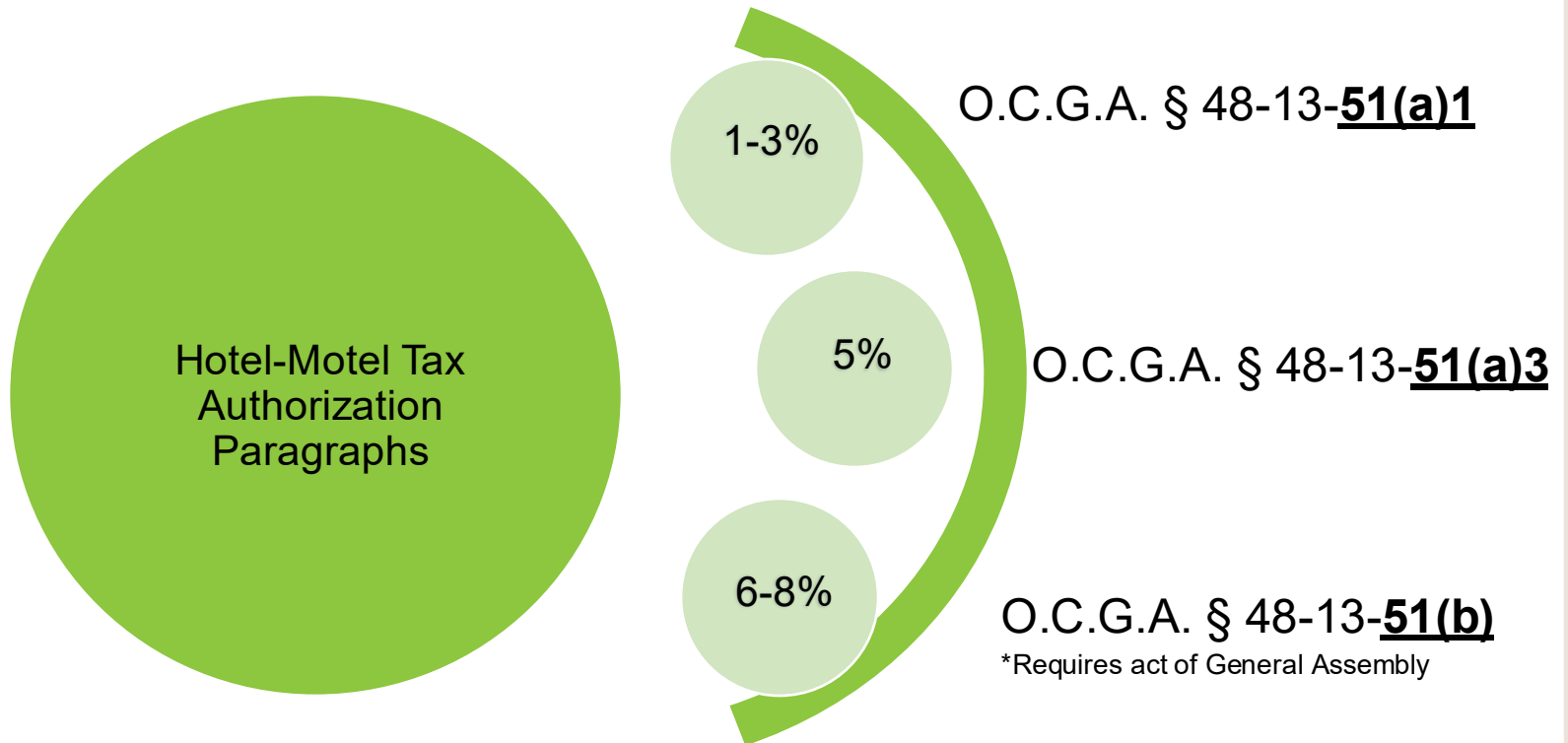
- A city or county must turn in a yearly report to the DCA on yearly revenues and expenditures
- To be in compliance, a local government must turn in a report every single year, and they must have turned in the last three fully finished fiscal year reports
- Turning in a yearly report is required by statute, and lack of the report can result in revenue being paused or a complaint being filed



Hotel Motel Tax Collections per Year



Current Authorization Paragraphs



Hotel-Motel Tax Law addressed in OCGA Title 48, Chapter 13, Article 3 (Ch. 13 Paragraphs 50-56)

These are the most common collection levels

Legacy Authorization Paragraphs

- 40 governments still on the 20 Legacy paragraphs
- This presentation focuses on the “Main” three paragraphs
- Reach out to DCA for questions on Legacy paragraphs



What to do when adopting HMT for the first time

- ❑ Required to send DCA the ordinance authorizing the HMT tax
- ❑ This is required so the DCA can provide the platform for the local government to begin submitting reports

Adopting or Changing a Tax: 1-5%



A city or county can adopt a 1-3%, or 5% tax by local ordinance without any action needed from the legislature



Ordinance guidance is provided on DCA's Hotel-Motel Tax Webpage

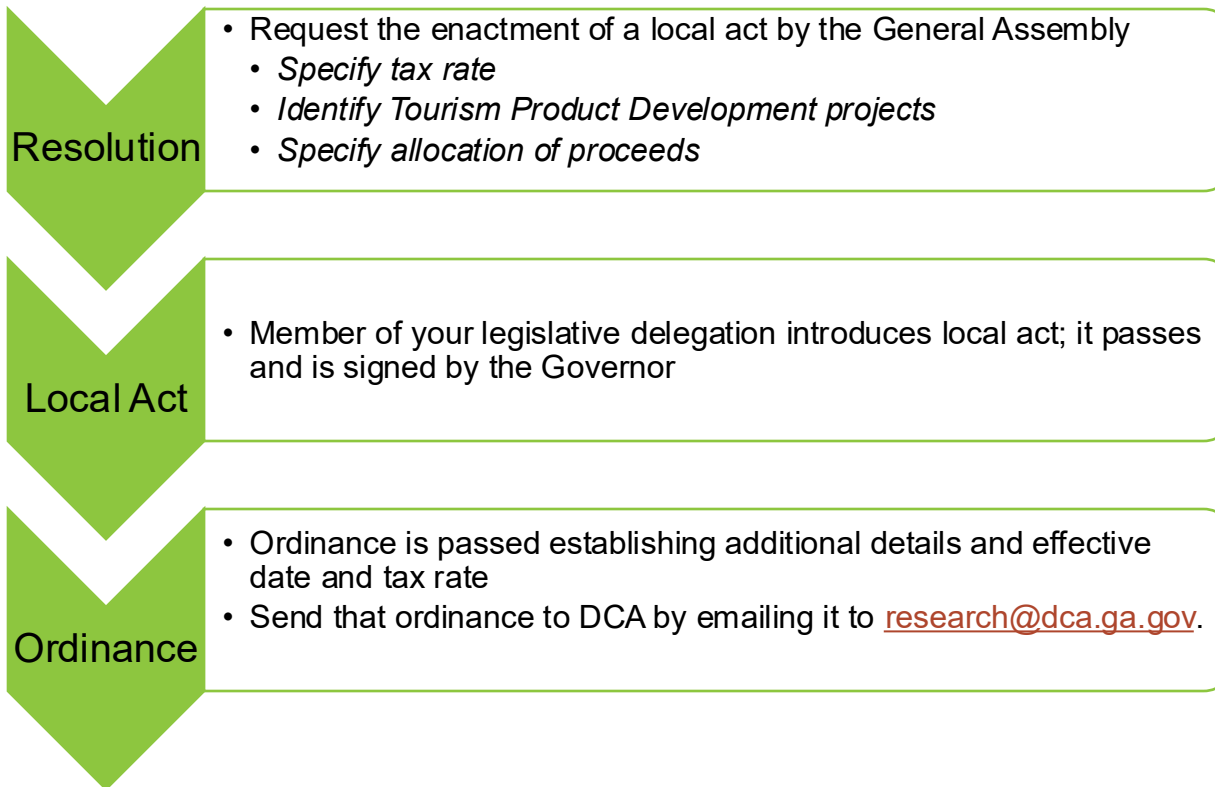


Earliest day to collect is the first day of the second month after adoption



After the ordinance is passed, email it to research@dca.ga.gov (As required by Rule 110-3-3-.02(2))

Adopting or Changing a Tax: 6-8%



Mechanics of Restricted Spending

Only 3%, 5% and 8% distributions are shown. If your government has a different tax rate or is under a Legacy authorization paragraph your distribution may be different

Overview

- ❑ **Types of Restricted Spending:**
 - ❑ Tourism, Conventions, and Tradeshows (TCT)
 - ❑ Tourism Product Development (TPD)

- ❑ **Governments collecting at 5% or above must spend a portion of the money on TCT**

- ❑ **Governments collecting at 6% or above have the option to spend a portion of the money on TPD**

Tourism, Conventions, and Tradeshows (TCT)

Definition:

Planning, conducting, or participating in **programs of information and publicity** designed to attract or advertise tourism, conventions, or trade shows.

O.C.G.A. § 48-13-50.2(4)

Expended by the *Destination Marketing Organization (DMO)*

Must be spent in the fiscal year in which it was collected

For questions on the appropriateness of expenditures, **always ask the city or county attorney**

What Qualifies as TCT?

Brochures



Billboards



Magazines



Internet Marketing



Radio and Television
Commercials



Attracting Conventions
and Tradeshows



What doesn't Qualify?

Anything that is not “programs of information and publicity”

Paying for the events themselves instead of just advertising them

Paying for fireworks, concerts, or festivals

**When unsure, review the definitions in O.C.G.A. 48-13-50.2,
and ask your city or county attorney**

Destination Marketing Organization (DMO)

Definition:

A private sector non-profit organization or other private entity which is exempt...under **Section 501(c)(6)** of the IRS Code of 1986...

...Primary responsibilities of which are to “encourage travelers to visit their destinations, encourage meetings and expositions in the area, and provide visitor assistance and support as needed”

O.C.G.A. § 48-13-50.2(1)

Private Sector Non-Profit Definition:

A chamber of commerce, a convention and visitors bureau, a regional travel association, or any other private group organized for similar purposes which is exempt from federal income tax under **Section 501(c)(6)** of the Internal Revenue Code of 1986

O.C.G.A. § 48-13-50.2(3)

Designated Marketing Organizations are required when collecting and expending TCT money

DMOs must be 501(c)6 registered organizations to be eligible

Without a DMO involved in the process, any tax revenue spent on TCT will not be following the HMT code requirements

A contractual agreement between the DMO and the local government is required

A budget plan for spending plans must be proposed by the DMO and adopted before spending is executed for the tax revenue

Tourism Product Development (TPD)

Definition:

“Creation or expansion of physical attractions which are available and open to the public and which improve destination appeal to visitors, support visitors' experience, and are used by visitors. Such expenditures **may include capital costs and operating expenses.**”

O.C.G.A. § 48-13-50.2(6)

No restrictions on the expender as there is with TCT

For governments under a 51(b)-tax rate, a percentage of revenue **can** be restricted for TPD. Otherwise, is restricted for TCT.

What Qualifies as TPD?

As identified in O.C.G.A. § 48-13-50.2(6)(A-P), *Tourism Product Development* may include...

- (A) **Lodging** for the public for no longer than 30 consecutive days to the same customer;
- (B) Overnight or short-term sites for recreational vehicles, trailers, campers, or tents;
- (C) **Meeting, convention, exhibit**, and public assembly facilities;
- (D) Sports **stadiums**, arenas, and complexes;
- (E) **Golf courses** associated with a resort development that are open to the general public on a contract or fee basis;
- (F) Racing facilities, including dragstrips, motorcycle racetracks, and auto or stock car racetracks or **speedways**;
- (G) Amusement centers, amusement parks, theme parks, or amusement piers;
- (H) Hunting preserves, trapping preserves, or **fishing preserves or lakes**;
- (I) Visitor information and **welcome centers**;
- (J) **Wayfinding signage**;
- (K) Permanent, nonmigrating carnivals or fairs;
- (L) Airplanes, helicopters, buses, vans, or boats for excursions or sightseeing;
- (M) Boat rentals, boat party fishing services, rowboat or canoe rentals, horse shows, natural wonder attractions, picnic grounds, **river-rafting services**, scenic railroads for amusement, aerial tramways, rodeos, water slides, or wave pools;
- (N) **Museums**, planetariums, art galleries, botanical gardens, aquariums, or zoological gardens;
- (O) **Parks, trails**, and other recreational facilities; or
- (P) **Performing arts facilities**.



TPD Continued



TPD FUNDS SHOULD BE BUDGETED TO BE SPENT IN THE FISCAL YEAR IN WHICH THEY WERE COLLECTED



PROJECT SHOULD BE IDENTIFIED AS TPD IN JURISDICTION'S ANNUAL BUDGET

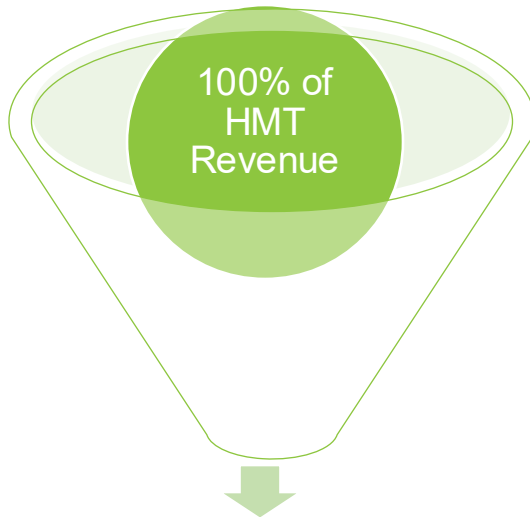


TPD FUNDS CAN BE USED TO SECURE DEBT FOR LARGER PROJECTS



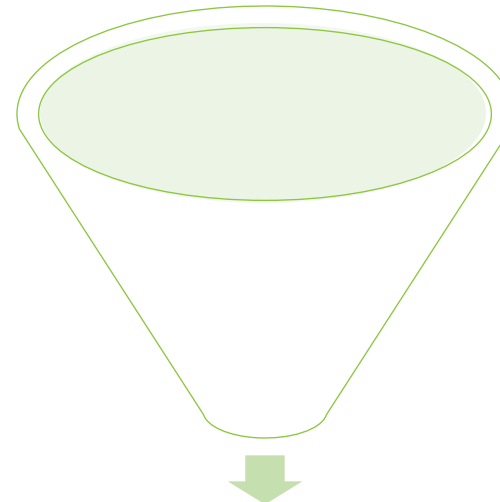
OFTEN USED FOR FACILITIES YOUR RESIDENTS WILL ENJOY, BUT MAKE SURE THEY ARE OPEN TO AND USED BY VISITORS

O.C.G.A. § 48-13-51(a)(1) – 1-3%



Non-Restricted

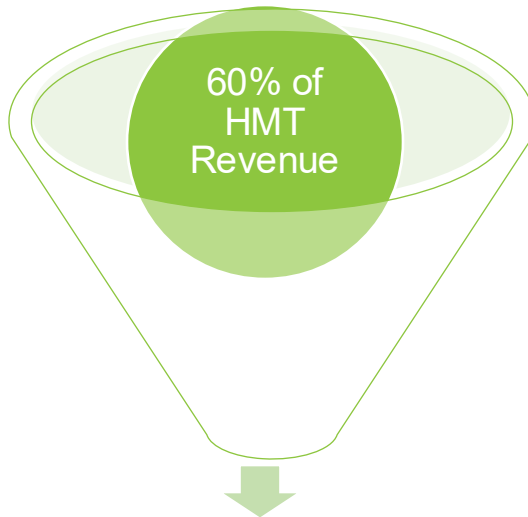
Proceeds can be used for any *legal* general fund purpose in the city, county, or consolidated government



Restricted

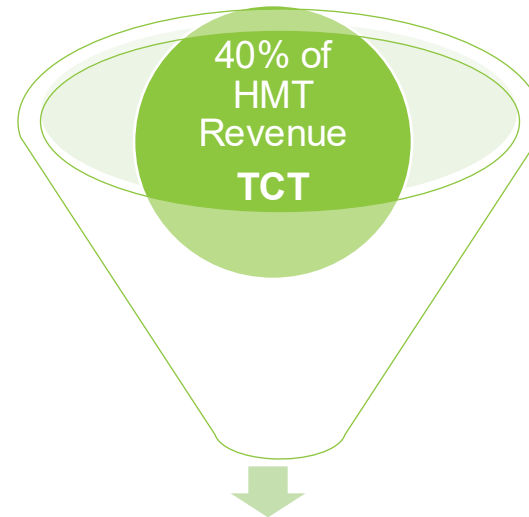
None, or not less than the percentage of such tax collections expended for TCT during the immediately preceding fiscal year

O.C.G.A. § 48-13-51(a)(3) – 5%



Non-Restricted

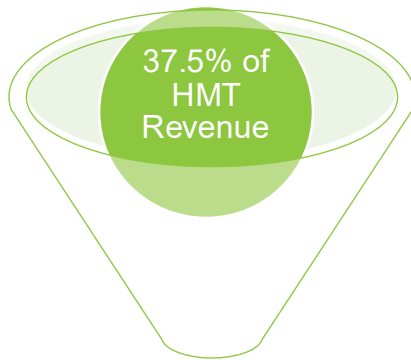
Proceeds can be used for any *legal* general fund purpose in the city, county, or consolidated government



Tourism, Conventions, and Tradeshow

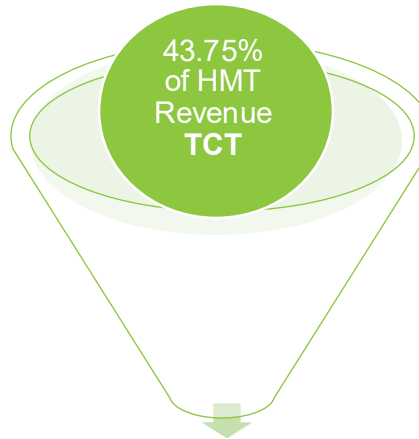
In each fiscal year, at least 40% of the HMT revenue must be used for TCT

O.C.G.A. § 48-13-51(b) – 8%



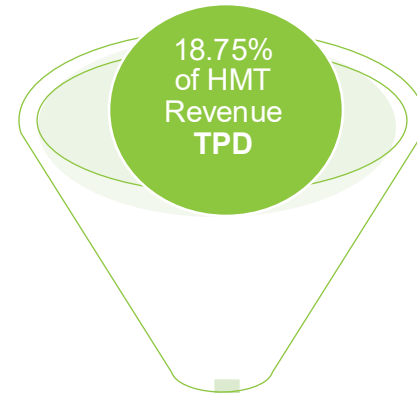
Non-Restricted

Proceeds can be used for any *legal* general fund purpose in the city, county, or consolidated government



Tourism, Conventions, and Tradeshow

In each fiscal year, at least 43.75% of the HMT revenue must be used for TCT



Tourism Product Development

In each fiscal year, at least 18.75% of the HMT revenue must be used for TPD, Otherwise to be used for TCT

Summary of Requirements to follow the code

For 1-3%

- Must submit yearly HMT Report
- Must expend all moneys within fiscal year collected

For 5%

- Must submit yearly HMT Report
- Must expend all moneys within fiscal year collected
- Must expend the TCT 40% moneys through a contracted DMO
- For TCT spending, must have DMO created budget plan
- Unless otherwise authorized, DMO must be 501(c)6 registered
- The DMO(s) must receive all of the TCT funds to be expended

Summary of Requirements to follow the code

For 8%

- Must submit yearly HMT report
- Must expend all moneys within fiscal year collected
- Must expend the TCT 43.75% moneys through a contracted DMO
- Must expend the TPD 18.75% moneys on TPD, otherwise expend on TCT through a contracted DMO
- For TCT, must have DMO created budget plan for expending moneys
- The DMO(s) must receive all of the TCT funds to be expended

Best Practices to follow Requirements

Set aside TCT and TPD moneys in a separate account from general fund to ensure easy tracking of that restricted money

Keep track of vendor invoices and payments for HMT funds to ensure easy auditing and proof of compliance with spending restrictions

Working with Other Governments

Each county is a special district for the purpose of the HMT, excluding “territory located within the boundaries of any municipality which imposes an excise tax”

O.C.G.A. § 48-13-50.2(1)

Cities and counties may jointly contract with the same DMO to promote the broader area and maximize marketing dollars

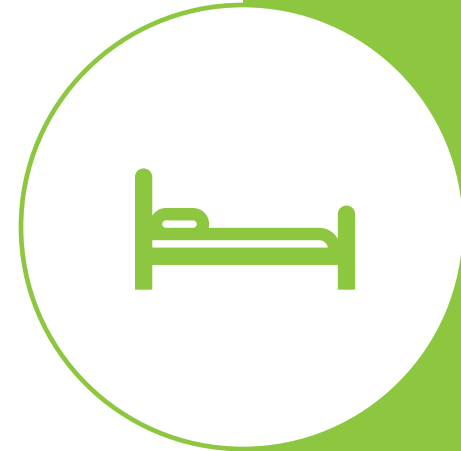
Working with DMOs

- If your community collects a tax of 5% or more, you are working with a DMO
- The local government is responsible for ensuring appropriate usage of the tax
- Build and maintain a healthy relationship:
 - **Develop a contract or MOU** every year
 - Specify amounts as a percent of total HMT collections
 - Follow Generally Accepted Accounting Principles (GAAP)

State Parks and the HMT

- State parks operated by DNR are required to collect HMT if it has rooms and meeting facilities or has a minimum of 20 cabins
- Collected at same rate as the jurisdiction the park is in
- 100% of the revenue shall be expended for development, promotion, and advertising of such rooms, facilities or cabins of the state park

- O.C.G.A. § 48-13-54



Short Term Vacation Rentals (STVR)

- ❑ HB317 went into effect July 1, 2021
- ❑ This requires “marketplace facilitators” – AirBnB, VRBO, HomeAway, and other STVR platforms - to collect and remit both the *local* Hotel-Motel Excise Tax and the *state* \$5 Transportation Fee
- ❑ For most jurisdictions, this has resulted in new HMT revenue
- ❑ For some jurisdictions who had been collecting the HMT from property owners, STVRs may be remitting the HMT differently

Short Term Vacation Rentals

At its core, HB317 changes the definition of “innkeeper” to include STVR platforms in OCGA § 48-13-50.2

Collections from STVR platforms are subject to the **same spending restrictions** as other HMT collections

Short Term Vacation Rentals

No impact on “front end” regulation of STVR properties:

Facilitators are not required to share data or personal information



Limiting number of STVR in area/jurisdiction



Requiring annual registration



Neighbor/HOA Notification



Insurance Requirements



Licensing/Registration Fees



Short Term Vacation Rentals

For issues with the rate being collected,
here are DCA's recommended steps:

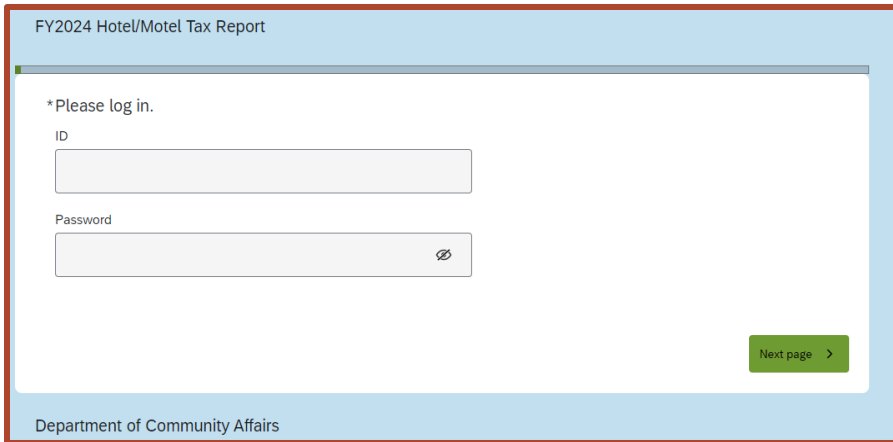
1) Make sure your ordinance is up to date with DCA

2) Make sure your ordinance is up to date on
Municode (or equivalent)

3) Reach out to the platforms directly

Hotel-Motel Tax Report

Required by O.C.G.A. 48-13-56 as “as a condition of continuing authorization to impose the tax”



The screenshot shows a web interface for the 'FY2024 Hotel/Motel Tax Report'. At the top, it says 'FY2024 Hotel/Motel Tax Report'. Below that, it prompts the user to log in with the text '*Please log in.'. There are two input fields: one for 'ID' and one for 'Password'. The password field has a small icon of an eye with a slash through it, indicating a toggle for visibility. At the bottom right of the form area, there is a green button labeled 'Next page >'. At the bottom left of the page, it says 'Department of Community Affairs'.

- ❑ Due within six months of the end of a government’s fiscal year
- ❑ Uses the same login as DCA’s other web-based reports
- ❑ Components of the Report
 - ❑ Confirm rate and ordinance
 - ❑ Revenues (SR Fund 275)
 - ❑ Expenditures (% of revenue allocated to TCT and TPD)
 - ❑ Project Contractor Information Schedule (PCIS)

Additional Finance Requirements

HMT Audit Disclosure

- 48-13-51(a)(9)(B) requires the annual audit disclose:
 - Amount of funds expended during the fiscal year
 - Amount of tax receipts during the fiscal year
 - Expenditures as a percentage of tax receipts
 - Determination of compliance with the spending requirements

Contractor Audit Verification

- County or municipality must require their contractor (DMO or other) to obtain “audit verification” that the expenditure requirements were met

Additional Finance Requirements

Budget Plan

- Both the contractor and the government must annually adopt a budget plan specifying how the funds will be spent (O.C.G.A. 48-13-51 (e)(1))
- Compliance with such budget plan satisfies the requirement that funds be spent in the fiscal year they are collected (O.C.G.A. 48-13-51 (j))

Performance Review Board (PRB)

- ❑ Complaint must be received by June 1st, on the proper form with the filing fee to be considered.
- ❑ Complaint can come from anyone, addressing a local government or DMO, regarding the current **or** most recently completed fiscal year
- ❑ Bona fide complaints will be heard by the 11 member PRB who make recommendations to the Commissioner for remedial action



Georgia Department of Community Affairs Hotel/Motel Tax Complaint Form

Directions

Please complete the questions below. Your answers should be as detailed and descriptive as possible. Your complaint will be evaluated based on the information you provide. Failure to provide adequate information could result in your complaint not being processed.

1. What local government imposes the Hotel/Motel Tax related to your complaint concerning inappropriate expenditures of these revenues?

2. What Hotel/Motel Tax rate does this government impose?

- up to 3%
- 5%
- 6%
- 7%
- 8%

Thanks!

Any questions?

Research Team

research@dca.ga.gov

404.679.3105

dca.georgia.gov