

ORDINANCE NO. _____

An ordinance amending Chapter 44, "Taxation," of the Dallas City Code, by amending Sections 44-48, 44-49, 44-50, and 44-52; providing for the imposition of an additional two percent hotel occupancy tax pursuant to Chapter 334 of the Texas Local Government Code and limiting its use to financing the Convention Center Expansion and Fair Park Facilities Venue Projects; providing collection, reporting, payment, and recordkeeping requirements and procedures; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date.

WHEREAS, Chapter 334 of the Texas Local Government Code (the "Act") authorizes the City of Dallas ("city") to impose certain specific taxes for the purpose of financing all or a portion of the cost of venue projects that are planned to be located in the city if the venue projects and the taxes are approved at an election held in accordance with the Act; and

WHEREAS, at an election held within the city on November 8, 2022, a majority of the voters of the city voted in favor of a proposition authorizing the city to provide for the planning, acquisition, establishment, development, construction, renovation, and financing of the expansion of the Kay Bailey Hutchison Convention Center Dallas, and related infrastructure as defined in the Act, including demolition costs (collectively, the "Convention Center Expansion Venue Project"); and authorizing the city to provide for the planning, acquisition, establishment, development, construction, renovation, and financing of certain Fair Park facilities, including the Automobile Building, the Centennial Building, the Band Shell, the Music Hall, the Cotton Bowl and the Coliseum, and related infrastructure as defined in the Act (collectively, the "Fair Park Facilities Venue Project" and, together with the Convention Center Expansion Venue Project, the "Venue

Projects") and to impose a new hotel occupancy tax at the rate of two percent (2%) for the purpose of financing the Venue Projects; and

WHEREAS, the city plans to establish the Convention Center Expansion Venue Project and Fair Park Facilities Venue Project in the city in accordance with the Act; and

WHEREAS, the city council has adopted Resolution No. _____ in which it has established the venue projects fund, entitled the "Venue Projects Fund" and various accounts therein, as required by Section 334.042 of the Act and authorized the use of the monies; and

WHEREAS, the city council has found and determined that it is in the best interests of the city to impose the additional two percent hotel occupancy tax authorized by and in accordance with Subchapter H of the Act; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 44-48, "Definitions," of Article VII, "Additional Hotel Occupancy Tax," of Chapter 44, "Taxation," of the Dallas City Code, is amended to read as follows:

"SEC. 44-48. DEFINITIONS.

In this article:

- (1) ACT means Chapter 334, Local Government Code, as amended.
- (2) APPROVED VENUE PROJECTS means the Convention Center Expansion Venue Project and Fair Park Facilities Venue Project [~~Dallas Sports Arena Project~~] that were [~~was~~] approved by a majority of the voters voting at the election held in the city on November 8, 2022 [~~January 17, 1998~~], in accordance with the Act.
- (3) CITY means the city of Dallas, Texas.
- (4) CONSIDERATION means the cost of a room in a hotel, and does not include:
 - (A) the cost of any food served or personal services rendered to the occupant not related to cleaning and readying the room or space for occupancy; or

(B) any tax assessed by any other governmental agency for occupancy of the room.

(5) DIRECTOR means the director of the department designated by the city manager to enforce and administer this article, or the director's designated representative.

(6) HOTEL means any building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast. For the purposes of the imposition of the tax under this chapter, "hotel" includes a "short term rental." The term does not include:

(A) a hospital, sanitarium, or nursing home; or

(B) a dormitory or other housing facility owned or leased and operated by an institution of higher education or a private or independent institution of higher education, as those terms are defined by Section 61.003 of the Texas Education Code, as amended, that is used by the institution for the purpose of providing sleeping accommodations for persons engaged in an educational program or activity at the institution.

(7) OCCUPANCY means the use or possession, or the right to the use or possession, of any room in a hotel.

(8) OCCUPANT means any person who, for a consideration, uses, possesses, or has a right to use or possess any room in a hotel under any lease, concession, permit, right of access, license, contract, or agreement.

(9) SHORT TERM RENTAL means the rental of all or part of a residential property to a person who is not a permanent resident under Texas Tax Code Section 156.101.

(10) TAX means the hotel occupancy tax levied in this article pursuant to Chapter 334 of the Texas Local Government Code, as amended.

(11[40]) VENUE PROJECTS FUND means the fund entitled the "Venue Projects Fund[~~Arena Project Fund~~]," created in Resolution No. ____ [98-0749], adopted by the city council on December 14, 2022 [~~February 25, 1998~~], as it may be amended."

SECTION 2. That Subsection (c) of Section 44-49, “Levy of Tax; Amount; Duration,” of Article VII, “Additional Hotel Occupancy Tax,” of Chapter 44, “Taxation,” of the Dallas City Code, is amended to read as follows:

“(c) The tax imposed under this section must be collected on every occupancy occurring on or after January 1, 2023 [~~August 1, 1998~~], and must continue to be collected for so long as any bonds or other obligations that are issued by the city under Section 334.043 of the Act for the purpose of financing a portion of the costs of the approved venue projects, and any bonds refunding or refinancing those bonds or other obligations, are outstanding and unpaid.”

SECTION 3. That Section 44-50, “Use of Tax Revenue,” of Article VII, “Additional Hotel Occupancy Tax,” of Chapter 44, “Taxation,” of the Dallas City Code, is amended to read as follows:

“SEC. 44-50. USE OF TAX REVENUE.

(a) The revenue derived from the two percent tax imposed under this article must be deposited in the 2% HOT Account [~~Arena Tax Proceeds Account~~] within the V[enue P]rojects F[und] established by Resolution No. _____. Money in this account may be used only for the following purposes:

(1) to reimburse the city for prior expenditures made in connection with, or to pay the costs of, planning, acquiring, establishing, developing, constructing, or renovating the approved venue projects to the extent not prohibited by any ordinance or indenture authorizing bonds or other obligations payable from and secured by a pledge of the two percent tax imposed under this article;

(2) to pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the city, or to refund bonds or other obligations, that were issued for the purpose of providing the approved venue projects; and

(3) such other uses as permitted by applicable law.

(b) For purposes of Subsection (a)(1) of this section, “costs” include, but are not limited to, overhead, legal, and accounting expenses of the city.”

SECTION 4. That Subsection (b) of Section 44-52, “Responsibility for Collection, Reporting, and Payment of Tax; Statement of Tax Purpose Required,” of Article VII, “Additional Hotel Occupancy Tax,” of Chapter 44, “Taxation,” of the Dallas City Code, is amended to read as follows:

“(b) Each bill or other receipt for a hotel charge subject to the tax imposed by this article must contain a statement in a conspicuous location stating:

The City of Dallas requires that an additional tax of two percent be imposed on each hotel charge for the purpose of financing venue projects, consisting of the Convention Center Expansion Venue Project and Fair Park Facilities Venue Project [~~Dallas Sports Arena Project~~] approved by the voters of the city on November 8, 2022 [~~January 17, 1998~~].”

SECTION 5. That, unless specifically provided otherwise by this ordinance or by state law, a person violating a provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.

SECTION 6. That Chapter 44 of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 7. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 8. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 9. That this ordinance shall take effect January 1, 2023, from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, City Attorney

By _____
Assistant City Attorney

Passed _____

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