



Legislation Text

File #: 22-2824, Version: 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: December 14, 2022
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Convention and Event Services
EXECUTIVE: Majed Al-Ghafry

SUBJECT

An ordinance amending Chapter 44, "Taxation," of the Dallas City Code, by amending Sections 44-48, 44-49, 44-50, and 44-52 to **(1)** provide 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; **(2)** provide collection, reporting, payment, and recordkeeping requirements and procedures; **(3)** make certain non-substantive changes; and **(4)** provide an effective date - Estimated Revenue: Venue Project Fund \$1,500,000,000.00 over 30 years

BACKGROUND

At a duly ordered special election on November 8, 2022, a majority of qualified voters of the City of Dallas cast votes in support of Proposition A: (1) designating the expansion of the Kay Bailey Hutchison Convention Center Dallas and certain improvements at Fair Park within the City of Dallas as venue projects and (2) designating the method of financing as a new hotel occupancy tax at the rate of two percent ("2% HOT Increase").

If this ordinance is approved, City Council will adopt the 2% HOT Increase authorized by qualified voters of the City of Dallas, with an effective date of January 1, 2023. If adopted, the local hotel occupancy tax will increase to 9% for all hotel and short-term rental stays within the City of Dallas on and after January 1, 2023. The 9% local HOT is in addition to the current 6% state hotel occupancy tax, and, for Dallas hotels with 100 or more rooms, is in addition to the Tourism Public Improvement District Fee of 2%.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 10, 2022, subject to approval at a duly ordered special election, the City Council designated and authorized Venue Projects within the City of Dallas, as described, defined, and permitted by Chapter 334: (1) expand the Kay Bailey Hutchison Convention Center Dallas ("KBHCCD") and its vicinity, and undertake other related improvements, including related

infrastructure, to enhance the KBHCCD and its vicinity; (2) improve Fair Park Facilities - the Automotive Building, an exhibit hall, the Centennial Building, an exhibit hall, the Band Shell, a music hall, the Music Hall, a music hall, the Cotton Bowl, a stadium, the Coliseum, a stadium, and related infrastructure; as well as designated a method of financing authorized by Chapter 334 to finance the Venue Projects by Resolution No. 22-1136.

On November 21, 2022, City Council received, approved, and adopted the report of the Ad Hoc City Council Canvassing Committee declaring that a majority of the votes cast at a duly ordered special election held on November 8, 2022 were in favor of Proposition A, on the question of approving and implementing a proposition: (1) designating the expansion of the Kay Bailey Hutchison Convention Center Dallas and certain improvements at Fair Park within the City of Dallas as venue projects and (2) designating the method of financing as an additional two percent hotel occupancy tax pursuant to the Chapter 334, by Resolution No. 22-1720.

FISCAL INFORMATION

Estimated Revenue: Venue Project Fund \$1,500,000,000.00 over 30 years

Financial models completed and compiled as of December 7, 2022, illustrate collections of approximately \$1.5B over 30 years.