



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 01/27/2026

**REQUESTER:** Jason Olsen, Director of Parks and Recreation

**PRESENTER:** Kathryn Walker, Assistant City Attorney

**ITEM TITLE:** CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF ORDINANCE O-2526-32 UPON SECOND AND FINAL READING: AN ORDINANCE OF THE CITY OF NORMAN, OKLAHOMA AMENDING SECTIONS 12-501 AND 12-502 OF THE CODE OF ORDINANCES OF THE CITY OF NORMAN, OKLAHOMA TO AMEND THE DEFINITION OF PERMANENT RESIDENT; PROVIDE A DEFINITION OF RECREATIONAL VEHICLES; INCREASE THE TRANSIENT GUEST ROOM TAX RATE FROM EIGHT PERCENT TO TEN PERCENT AND EXPAND THE APPLICATION OF THE TAX RATE TO INCLUDE SPACES TEMPORARILY RENTED FOR RECREATIONAL VEHICLES; ALL CONTINGENT ON VOTER APPROVAL OF ORDINANCE O-2526-33; PROVIDING FOR AN EFFECTIVE DATE FOR SAID CHANGES SUBJECT TO VOTER APPROVAL; AND PROVIDING FOR THE SEVERABILITY THEREOF.

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### **BACKGROUND:**

The voters of Norman first approved the Transient Guest Room Tax ("Room Tax") of 4% in 1980 for the explicit purpose of encouraging, promoting, and fostering the convention and tourism development within the City of Norman. The tax is applied to gross proceeds or rent derived from the rental of rooms or houses in Norman for less than 30 days. The tax has been increased two times since 1980. The revenues from the Room Tax are currently split between the Norman Convention and Visitors Bureau d/b/a VisitNorman (59.375%), the Norman Arts Council (25%), and the Norman Parks and Recreation Department (15.625%) after four percent (4%) is retained by the City to cover costs related to administering the tax. These allocations are set forth in contracts with VisitNorman and Norman Arts Council and not in the ordinance.

Council has recently discussed the planned growth in offerings in Norman for rental of spaces for overnight stays in recreational vehicles. Application of the Room Tax is currently limited to the rental of rooms or homes and does not apply to the rental of spaces for overnight stays in recreational vehicles.

Additionally, recent increases to the Room Tax in other metro area cities has raised the issue of whether Norman's Room Tax could also be raised to provide additional funding for the Norman

Parks and Recreation Department, particularly since the department did not receive any of the additional funding associated with the last increase in the Room Tax rate in 2023.

**DISCUSSION:**

Ordinance O-2526-32 amends the Transient Guest Room Tax to accomplish the changes discussed above. First, a definition of “recreational vehicles” would be added to the Code, as well as an amendment to the definition of “permanent resident”. Permanent residents, as defined in the Code, are exempt from payment of the Room Tax. Amending the definition ensures spaces rented for overnight stays in recreational vehicles are taxed in the same way as other rooms or houses rented on a short term basis, while longer term residents (“permanent residents”) are not subject to Room Tax.

The ordinance also proposes an increase in the Room Tax rate from 8% to 10%. This tax is paid by visitors to Norman, and not Norman residents. Both the question of applying the tax to spaces rented for overnight stays in recreational vehicles and the increase in tax rate are subject to voter approval and Ordinance O-2526-32 is contingent on the passage of Ordinance O-2526-33 which calls a Special Election for April 7, 2026 for this purpose and sets forth the ballot language. If the election is successful, the rate increase will go into effect on July 1, 2026.

**RECOMMENDATION:**

Staff recommends adoption of Ordinances O-2526-32 and O-2526-33 upon Second and Final Reading.