



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 02/14/2023

REQUESTER: Dan Schemm, Visit Norman Executive Director

PRESENTER: Kathryn Walker, City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF ORDINANCE O-2223-26 UPON FIRST READING BY TITLE: AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AUTHORIZING THE CALLING AND HOLDING OF A SPECIAL ELECTION IN SAID CITY OF NORMAN, STATE OF OKLAHOMA, (THE CITY), ON THE NINTH DAY OF MAY, 2023, FOR THE PURPOSE OF SUBMITTING TO THE REGISTERED, QUALIFIED ELECTORS OF SAID CITY THE QUESTION OF APPROVING OR REJECTING ORDINANCE O-2223-25, WHICH ORDINANCE AMENDS SECTION 8-503 OF CHAPTER 8 OF THE CODE OF ORDINANCES OF THE CITY OF NORMAN, OKLAHOMA, BY INCREASING THE EXCISE TAX UPON THE GROSS PROCEEDS OR GROSS RECEIPTS DERIVED FROM RENTS RECEIVED FROM OCCUPANCY OF HOTEL ROOMS BY THREE PERCENT (3%) TO A TOTAL OF EIGHT PERCENT (8%); PROVIDING AN EFFECTIVE DATE FOR SAID INCREASE SUBJECT TO VOTER APPROVAL; AND PROVIDING FOR THE SEVERABILITY THEREOF.

BACKGROUND:

The voters of Norman first approved the Transient Guest Room Tax of four percent (4%) in 1980 for the explicit purpose of “encouraging, promoting, and fostering the convention and tourism development within the City of Norman...Uses in park development and in promotion of arts and humanities are thus contemplated”. The tax has been increased one time – by 1% (to a total of 5%) - since 1980. The revenues from the Guest Room Tax are currently split between the Norman Convention and Visitors Bureau d/b/a VisitNorman (50%); the Norman Arts Council (25%); and the Norman Parks and Recreation Department (25%), after three percent (3%) is retained by the City’s General Fund for administration of the tax. These allocations are set forth in contracts with VisitNorman and Norman Arts Council and are not in the ordinance.

DISCUSSION:

Dan Schemm, Executive Director of VisitNorman, presented a proposal for an increase in the Guest Room Tax to Council on January 24, 2023. The proposal is to increase the tax to a total of 8%, and split the additional three percent between VisitNorman and the Norman Arts Council.

The new funding generated by the increased tax revenue and allocated to VisitNorman is for the purpose of supporting a proposed Sports Commission that would market Norman's sports tourism opportunities. The Commission would also help create special events, enhance venues, and engage potential partners locally and nationally. If the tax measure is successful, contract amendments to the contracts with VisitNorman and Norman Arts Council will be necessary. Council directed Staff to prepare ordinances for a May voter referendum on the proposed tax increase.

Ordinance O-2223-25 would amend Section 8-503 of the current Norman City Code to increase the tax rate from 5% to 8%. As this Ordinance is being adopted prior to the effective date of Ordinance O-2223-24, recodifying the City Code in its entirety, it is an amendment to the current Section 8-503; the numbering of the relevant Code section may be subject to change.

Ordinance O-2223-25 calls a special election on May 9, 2023. If successful, the new rate would go into effect on July 1, 2023. Additionally, the code amendment will be placed in Section 12-502 of the newly recodified code (assuming Ordinance O-2223-23 is adopted).

RECOMMENDATION:

Per Council's direction, Staff forwards Ordinance O-2223-25 and O-2223-26 to Council for adoption upon First, Second and Final Reading.