



## CITY OF NORMAN, OK STAFF REPORT

**MEETING DATE:** 02/05/2026

**REQUESTER:** Karla Sitton, Administrative Tech IV

**PRESENTER:** Jason Olsen, Director of Parks & Recreation

**ITEM TITLE:** ROOM TAX ELECTION UPDATE

### **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, dba Visit Norman (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 the contracts with Visit Norman and Norman Arts Council, not in the ordinance.

Council has recently discussed the planned growth in offerings in Norman for the 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 in the Room Tax in other metro area cities have 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 the Room Tax.

The ordinance also proposes increasing 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 for 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.

Staff gave a Room Tax Election presentation to Council at the January 20, 2026, Study Session, and the Council adopted Ordinances O-2526-32 and O-2526-33 at the January 27, 2026, Regular City Council meeting.