



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 05/26/2026

**REQUESTER:** Kathryn Walker

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

**ITEM TITLE:** CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF ORDINANCE O-2526-67 UPON SECOND AND FINAL READING: AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA AMENDING ARTICLE 12-V, TRANSIENT GUEST ROOM TAX, SECTIONS 12-501, 12-503 AND 12-504 OF THE NORMAN CITY CODE TO CLARIFY CERTAIN DEFINITIONS AND PROVIDE A CLEARER PROCESS FOR DOCUMENTING EXEMPTIONS FROM THE TAX; AND PROVIDING FOR THE SEVERABILITY THEREOF.

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### **BACKGROUND:**

During the recent efforts to educate voters about the April 7, 2026 election question raising the transient guest room tax rate, Staff received a number of questions from residents about how the tax was applied. The portions of the ordinance addressing administration of the tax have not been substantively updated since its initial adoption in 1980. Although Section 12-515 of the Code empowers the Finance Director to make rules and regulations appropriate for administration of the tax, it would be helpful to have additional clarity in the ordinance as the hotel industry and the types of hotel offerings grow. The goal of Ordinance O-2526-67 is to more clearly address some of these questions related to how the ordinance is administered.

### **DISCUSSION:**

Ordinance O-2526-67 amends the definition of “hotel” to exclude a provision that has historically been applied to bed and breakfast establishments. With the advent of short-term rentals, the language “three or more rooms are used for the accommodation of such guests” has caused confusion and resulted in bed and breakfast establishments being treated differently from all other types of hotels. The ordinance also seeks to tie the exemption for permanent residents in Section 12-503 more closely to the definition of “permanent residents” by explicitly including in the definition a reference to permanent residents of Norman, who may prove such residency with a current driver’s license or water bill at the time of check-in and by adding a cross-reference to Section 12-503.

Finally, the Ordinance simplifies the proof required to be exempt from the tax. Currently, Section 12-504 requires anyone claiming to be exempt from the tax – permanent residents,

government employees on government business, tribal employees on tribal business, and non-profit organizations on non-profit business – to obtain a certificate of exemption from the Finance Director. Over the years, this process hasn't been heavily utilized and instead, the hotels have a reporting form to document any exemptions granted. The Ordinance would codify the practice of guests providing documentation of an applicable exemption to the hotels while also clarifying for the hotels what documentation would be sufficient to grant an exemption from the tax.

Note: The recent election on April 7, 2026, also included a change to the definition of "hotels" to include Recreation Vehicles (RV's). The ordinance making this change has an effective date of July 1, 2026, so the new language is not shown in the attached ordinance.

**RECOMMENDATION:**

Staff will be present at the City Council Conference on May 12, 2026, to discuss further and will include it on the May 12, 2026, agenda for First Reading and the May 26, 2026, agenda for Second and Final Reading. This will ensure it will be in effect on July 1, 2026, when the new tax rate goes into effect and the new fiscal year begins.