

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 32 (TAXATION) OF THE CODE OF THE CITY OF FORT WORTH (2015), AS AMENDED, BY ADDING ARTICLE III (VENUE HOTEL OCCUPANCY TAX); PROVIDING DEFINITIONS RELATIVE THERETO; PROVIDING FOR THE IMPOSITION AND LEVY OF A TAX EQUAL TO TWO PERCENT (2%) OF THE COMPENSATION PAID FOR USE OF A HOTEL ROOM; PROVIDING FOR COLLECTION, REPORTING, RECORDKEEPING, AND REMITTAL REQUIREMENTS AND PROCEDURES; PROVIDING THAT VIOLATIONS FOR FAILURE TO COLLECT OR REMIT TAXES, TO MAINTAIN REQUIRED RECORDS, OR SUBMIT REQUIRED REPORTS AND FOR SUBMISSION OF FALSE REPORTS ARE UNLAWFUL AND PUNISHABLE BY FINE OF UP TO FIVE HUNDRED DOLLARS (\$500.00) PER OFFENSE; PROVIDING FOR LATE FEES, INTEREST, AND CIVIL PENALTIES; PROVIDING FOR CIVIL COLLECTION REMEDIES; AND FURTHER PROVIDING THAT THIS ORDINANCE IS CUMULATIVE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 334 of the Texas Local Government Code, as amended (the “Act”), authorizes the City Council to designate various sports- and community-related capital improvements as a “venue project” and to designate one or more methods of financing authorized by the Act that the City wants to use to finance the project, subject to approval of the voters in an election called for that purpose; and

WHEREAS, in accordance with requirements in the Act, on January 9, 2024, the City Council adopted Resolution No. 5866-01-2024, designating the Fort Worth Convention Center and related infrastructure as a venue project in accordance with the Act (collectively, the “**Venue Project**”), and designating a hotel occupancy tax of up to 2% as the method of financing under the Act proposed to be used for the Venue Project, subject to voter approval at an election called for such purpose; and

WHEREAS, the Act provides that the imposition, computation, administration, collection, and remittance of a venue hotel tax under Subchapter H of the Act is generally governed by the same provisions as are applicable to other municipal hotel occupancy tax enacted under Chapter 351 of the Texas Tax Code; and

WHEREAS, by letter dated January 24, 2024, the Texas Comptroller of Public Accounts notified the City of the Comptroller’s determination that approval and implementation of Resolution No. 5866-01-2024 would have no significant negative fiscal impact on state revenue; and

WHEREAS, on February 13, 2024, the City Council adopted Ordinance 26720-02-2024 calling for and ordering a special election to be held on May 4, 2024, at which all qualified voters of the City would have the opportunity to vote on the question of approving and

implementing Resolution No. 5866-01-2024 designating the Fort Worth Convention Center and any related infrastructure as a Venue Project and on the method of financing under the Act that the City wanted to use for the Venue Project; and

WHEREAS, at the special election held on May 4, 2024, a majority of the voters of the City voting in the election voted in favor of the proposition authorizing the City to provide for the planning, acquisition, development, establishment, construction, renovation and financing of the Venue Project, and to impose a hotel occupancy tax on the price paid for a room in a hotel, at a rate not to exceed two percent (2%) of the price of the hotel room, for the purpose of financing the Venue Project, as and to the extent permitted by Subchapter H of Act, with such tax to be in addition to the tax imposed under Chapter 351 of the Texas Tax Code and with the combined hotel occupancy tax rate imposed from all sources not to exceed seventeen percent (17%) of the price paid for a room in a hotel, as verified in Resolution No. 5946-05-2024, adopted by the City Council on May 14, 2024 following the canvassing of the returns and declaring the results of the special election; and

WHEREAS, in accordance with the wishes of the majority of voters of the City voting on the proposition presented in the special election on May 4, 2024, the City is working toward the planning, acquisition, development, establishment, construction, renovation and financing of the Venue Project; and

WHEREAS, the City Council anticipates issuing the first tranche of debt to fund the Venue Project in the spring of 2025; and

WHEREAS, the City Council has found and determined that it is in the best interests of the City to impose the venue hotel occupancy tax authorized by the voters to support the Venue Project.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

SECTION 1.

That Chapter 32 (Taxation) of the Code of the City of Fort Worth, Texas (2015) is hereby amended by adding Article III (Venue Hotel Occupancy Tax) as follows:

ARTICLE III: VENUE HOTEL OCCUPANCY TAX

§ 32-30 DEFINITIONS.

(a) The words, terms, and phrases used in this article shall have the meanings ascribed to them in Section 32-16 regarding the city's general hotel occupancy tax, except where the context clearly indicates a different meaning.

(b) In addition, the following words, terms, and phrases are, for the purpose of this article, except where the context clearly indicates a different meaning, defined as follows:

ACT means Chapter 334, Texas Local Government Code, as it may be amended or recodified.

VENUE HOTEL OCCUPANCY TAX means the tax imposed under this Division 3 of Chapter 32.

VENUE PROJECT or *FWCC VENUE PROJECT* means the Fort Worth Convention Center and any related infrastructure, as approved by a majority of the voters of the City voting in the special election held May 4, 2024.

VENUE PROJECT FUND or *FWCC VENUE PROJECT FUND* means the fund established by the City Council under Resolution No. _____-06-2024 or any account within such fund.

§ 32-31 LEVY; RATE; DISPOSITION OF REVENUES; EXCEPTIONS; DURATION.

(a) In addition to the hotel tax levied under Article II of this Chapter, there is hereby levied a venue hotel occupancy tax upon the cost of occupancy of any sleeping room or space furnished by any hotel, where the cost of occupancy is at the rate of \$2 or more per day, such tax to be equal to 2% of the consideration paid by the occupant of such room or space to such hotel, resulting in a combined hotel occupancy tax under Articles II and III of 11%, exclusive of other occupancy taxes imposed by any other governmental agencies.

(b) All revenues from the venue hotel occupancy tax shall be deposited to the FWCC Venue Project Fund and utilized in furtherance of the Venue Project as provided by state law.

(c) No tax under this article shall be imposed upon a permanent resident.

(d) The tax imposed under this section must be collected on every occupancy occurring on or after August 1, 2024. The tax shall continue to be collected for so long as any bonds or other obligations issued by the city under Section 334.043 of the Act for the purpose of financing a portion of the costs of the Venue Project, and any bonds or obligations refunding or refinancing those bonds or other obligations, remain outstanding and unpaid.

§ 32-32 COLLECTION; WHEN DUE; REMITTANCE; DELINQUENCY; INTEREST; NOTICE.

(a) The obligations to collect, remit, and report on the venue hotel occupancy tax; the deadlines for same; and the penalties and interest for delinquencies with respect thereto shall all be the same as those articulated in Section 32-18 with respect to other city hotel occupancy tax.

(b) In addition to any other notice required or provided by law or otherwise, each bill or other receipt for a hotel charge subject to the tax imposed by this article must contain a statement in a conspicuous location stating the following:

The City of Fort Worth requires that an additional tax of two percent be imposed on each hotel charge for the planning, acquisition, development, establishment, construction, renovation and financing of the Fort Worth Convention Center and

any related infrastructure as a designated Venue Project, as approved by the voters of the city on May 4, 2024.

§ 32-33 MONTHLY REPORTS.

The obligations to submit reports on the venue hotel occupancy tax shall be the same as those articulated in Section 32-19 with respect to other city hotel occupancy tax.

§ 32-34 RULES AND REGULATIONS; INSPECTION OF RECORDS.

The authority to adopt rules and regulations to make records available with respect to the venue hotel occupancy tax shall be the same as those articulated in Section 32-20 with respect to other city hotel occupancy tax.

§ 32-35 CRIMINAL PENALTIES.

Criminal violations and penalties with respect to the collection, remittance, and reporting of the venue hotel occupancy tax shall be the same as those articulated in Section 32-21 with respect to other city hotel occupancy tax.

§ 32-36 CIVIL COLLECTION PROCEDURES.

Civil collection procedures with respect to the venue hotel occupancy tax shall be the same as those articulated in Section 32-21.1 with respect to other city hotel occupancy tax.

§ 32-37 COLLECTION PROCEDURES ON PURCHASE OF HOTEL.

Procedures for collection of venue hotel occupancy tax in connection with the purchase, sale, or transfer of the hotel shall be the same as those articulated in Section 32-21.2 with respect to other city hotel occupancy tax.

SECTION 2.

This Ordinance shall be cumulative of all ordinances of the City, except where the provisions of this Ordinance are in direct conflict with the provisions of such other ordinances, in which case the conflicting provisions of such other ordinances are hereby repealed.

SECTION 3.

The sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable. If any portion of this Ordinance is declared illegal or unconstitutional by the valid final judgment or decree of any court of competent jurisdiction, such illegality or unconstitutionality shall not affect the legality and enforceability of any of the remaining portions of this Ordinance.

SECTION 4.

After the adoption of this Ordinance and in accordance with Section 2 of Chapter XXV of the City Charter of the City of Fort Worth, Texas, the City Secretary of the City of Fort Worth is hereby directed to have this Ordinance published in its entirety two (2) times in the official newspaper of the City. In lieu thereof, the City Secretary of the City of Fort Worth may have descriptive captions or titles that summarize the purpose of this Ordinance and the penalty for violations thereof published two (2) times in the official newspaper of the City.

SECTION 5.

This Ordinance shall be in full force and effect following its adoption and publication as specified herein.

ATTEST:

Jannette S. Goodall
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Denis McElroy
Assistant City Attorney

ADOPTED: _____

EFFECTIVE: August 1, 2024