



# City Manager Report

## The City of OKLAHOMA CITY

**NO: 1215**

**DATE: AUGUST 14, 2018**

**TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**SUBJECT: HOTEL TAX COLLECTIONS THROUGH JUNE 30, 2018**

Hotel Taxes for FY 2018 are up \$1,063,401 or 7.5%.

Hotel tax collections ended the fiscal year up 7.5%. This was 7.7% over projections. Oklahoma City continues to see an increase in the total number of hotels with three new hotels opening during the quarter.

### **HOTEL TAX COLLECTIONS**

Hotel taxes are collected by local hotels and remitted to the City the month after being collected. This report summarizes hotel tax collections for the fourth quarter of fiscal year 2018 and is limited exclusively to hotel tax. Any sales tax collected by hotels is reported separately in the monthly sales and use tax City Manager report.

The distribution of collections from the City's 5.5% hotel tax is set by ordinance, with 4/11 used to promote convention and tourism, 6/11 for fairgrounds improvements, and 1/11 to sponsor and promote local events. The current rate has been in effect since January 1, 2005. The following table represents year-to-date revenue collections and annual projections for each of these purposes:

FISCAL YEAR-TO-DATE COMPARISON				
	<u>Projection</u>	<u>Revenue</u>	<u>Over/Under Projection</u>	<u>% Over/Under Projection</u>
Convention and Tourism	\$5,134,804	\$5,528,648	\$393,844	
State Fairgrounds	\$7,702,207	\$8,292,972	\$590,765	
Event Sponsorship	\$1,283,700	\$1,382,162	\$98,462	
Total	\$14,120,711	\$15,203,782	\$1,083,071	7.7%

QUARTERLY AND FISCAL YEAR-TO-DATE PERFORMANCE						
Sector of City	Q4 FY 2018	Q4 FY 2017	Percent Change	YTD FY 2018	YTD FY 2017	Percent Change
Central	1,457,722	1,342,298	8.6%	4,879,991	4,611,254	5.8%
Northeast	178,981	141,450	26.5%	560,276	470,075	19.2%
Northwest	1,075,952	1,038,344	3.6%	3,835,705	3,616,993	6.0%
Southeast	190,881	182,927	4.3%	684,797	670,613	2.1%
Southwest	1,417,032	1,336,852	6.0%	5,155,165	4,771,446	8.0%
Home Sharing	37,426	0	-	87,848	0	-
<b>TOTAL</b>	<b>4,357,994</b>	<b>4,041,870</b>	<b>7.8%</b>	<b>15,203,782</b>	<b>14,140,381</b>	<b>7.5%</b>

Central: Business this quarter for hotels in the Central sector was positive, up 8.6% for the quarter and 5.8% for the fiscal year. The City continues to experience growth and increased business travel in the core area.

Northeast: The Northeast sector continues to perform well this fiscal year, outpacing the other sectors in year-over-year growth for three of the four quarters this year, leading all sectors with a 19.2% year-over-year growth for FY 2018.

Northwest: The Northwest sector saw strong collections for both the quarter and fiscal year-to-date. Delinquent hotel taxes have decreased significantly in this sector, with two hotels remitting under payment plans.

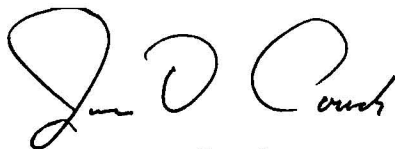
Southeast: The Southeast sector improved by 4.3% for the quarter and 2.1% for the fiscal year.

Southwest: A majority of the hotels in the Southwest had improved revenues this quarter, which contributed to the 6.0% quarter and 8.0% fiscal year-to-date increase.

Home Sharing: A new sector was created this fiscal year for hotel tax collections on home sharing properties. Home sharing refers to situations where people share their entire home or portions of their home by using a home sharing network in exchange for compensation. These types of rentals are subject to hotel taxes as outlined in the City ordinance.

Delinquencies: As of June 30, 2018, 16 correction invoices remain unpaid representing an outstanding balance of \$5,948. In addition, there was an estimated outstanding balance of \$109,269 from 51 instances of unreported taxes. 66% of this total is under a payment plan. City staff is working closely with these hotel operators to ensure corrections and unreported taxes are addressed in a timely manner.

Respectfully submitted,



James D. Couch  
City Manager