

FREQUENTLY ASKED QUESTIONS

TOURISM PUBLIC IMPROVEMENT DISTRICT (TPID)

1. What is the effective date of the assessment?
 - a. The assessment is effective for hotel sleeping room nights sold beginning on August 1, 2012 and continuing through July 31, 2017
2. Does the 2% TPID assessment replace the 2% Arena Tax?
 - a. No; they are unrelated. The Arena Bonds were paid off in June of 2011.
3. What is the basis for the new TPID assessment?
 - a. The TPID is authorized by the Provisions of the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code.
 - b. The specific assessment plan was petitioned for by over 60% of the area hoteliers and was subsequently approved June 13, 2012 by Dallas City Council Resolution 12-1582 and by City Ordinance 28682
4. How should items that are exempt from the local hotel occupancy tax be treated in terms of application of the 2% TPID assessment recovery fee?
 - a. Items that are not subject to the local hotel occupancy tax are also not subject to the 2% TPID assessment recovery fee.
 - b. In other words, the same exemptions that are allowed when calculating the 7% Hotel Occupancy Tax (HOT), are allowed in considering the 2% TPID assessment
 - c. Accordingly, the monthly report form utilizes the same calculation for the Net Hotel Receipts, which is net of the exemptions allowed by the City of Dallas
5. How should hotels within the Dallas Tourism Public Improvement District handle binding group room night contracts that had been executed prior to the August 1, 2012 commencement of the Dallas Tourism Public Improvement District? Specifically, does the 2% Tourism Public Improvement District Assessment apply to these previously executed group contracts? Additionally, does the 2% Tourism Public Improvement District Assessment apply to guaranteed or prepaid transient room reservations that were made prior to August 1, 2012?
 - a. Hotels that have binding group room night contracts that were executed prior to August 1, 2012 do not need to apply the 2% tourism PID assessments to the room nights under these contracts, unless the contract allows it.
 - b. Likewise, hotels that have guaranteed and/or prepaid transient room reservations that were made prior to August 1, 2012 do not have to apply the 2% tourism PID assessments to the room nights under these reservations.
 - c. A special box (5a – Pre-08/01/12 Exclusions) has been added to the monthly report form to record these amounts.

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- d. It is critical to retain sufficient documentation to prove that the execution date of the contract or the guaranteed and/or prepaid reservation was prior to August 1, 2012 and that the documentation indicates the contract does not allow for inclusion of the new 2% TPID recovery fee.
- e. Please recall that all documentation supporting the revenues reported and exemptions claimed must be retained until audited by the City of Dallas.
6. How is the TPID assessment calculated?
 - a. The assessment is applied at 2% of the value of the hotel sleeping room nights sold.
7. How do we determine the base for the Hotel Occupancy Tax (HOT)?
 - a. The base, upon which the 7% City HOT is applied, is equal to the sum of the Net Hotel Receipts (the same derivation as currently used) **plus** the 2% TPID assessment.
8. Is the 2% TPID assessment recovery fee to be reported as part of the room rate?
 - a. The hotel should list it as a separate item with an appropriate title, such as “2% TPID assessment recovery fee”.
 - b. It is important to use this terminology to avoid other collection related issues.
9. Is the hotel guest responsible to pay the 2% TPID assessment recovery fee?
 - a. Yes, if it is included in the charges noted in the bill for the room night or included within the quoted room night rate.
10. What happens if the hotel guest refuses to pay the 2% TPID assessment recovery fee?
 - a. The guest can be pursued for this charge in the same way as any other legal hotel charge.
 - b. The 2% TPID assessment is owed by the Hotel even if the hotel fails to collect directly from the guest.
 - c. The hotel may alternatively choose to itself cover the cost of the assessment and not charge the guest.
11. Who gets the money raised by the assessment?
 - a. The funds are collected by the City of Dallas and are transferred, at the end of the monthly reporting period, to the Dallas Tourism Public Improvement District Corporation.
 - b. The Corporation will contract with the Dallas CVB to implement these activities.
12. How will the funds that are generated by the 2% Tourism PID assessment be spent? The funding will be used for the following expenditures:
 - **Incentives** - 50% of TPID budget used to provide incentives to bring more conventions, meetings and visitors to Dallas
 - **Marketing** - 45% of TPID budget allocated for marketing efforts

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- **Administration** - 5% of TPID budget dedicated for administrative expenses
13. Is there any difference in the handling of these matters if the room is booked through a travel broker (e.g., Hotels.com)?
- a. No, the fees are part of the charges that the hotel should indicate are to be included in any booked hotel room.
 - b. It is the hotel's responsibility to notify any entities that handle reservations to include this assessment unless the hotel does not plan to pass on the cost to the guests.
14. What is the involvement of the City of Dallas?
- a. The City of Dallas performs the administrative duties to collect and transfer the TPID funds as required by the Management Agreement.
 - b. The Dallas City Council also annually reviews and approves the budget for the Dallas Tourism Public Improvement District.
15. Is the Tourism PID Permanent?
- a. The Tourism PID has been approved for an initial five year period.
 - b. After the five year period, the Public Improvement District can be reconsidered by the Dallas City Council with any of the following outcomes:
 1. Renewed – following the same petition and approval process
 2. Refined – following the same petition and approval process
 3. Dissolved – no action taken to renew PID operations
16. To whom should the questions related to the TPID be referred?
- a. For legal or regulatory questions about the TPID or implementation of the charges
 - i. Scott Joslove, General Counsel for the Dallas Tourism Public Improvement District – 512-474-2996 or sjoslove@texaslodging.com
 - b. DCVB
 - i. Phyllis Hammond – 214-571-1077 or phammond@dallascvb.com
 - c. TPID Management Corporation
 - ii. Ray Hammer – 214-922-0356 or ray.hammer@sheraton.com
 - d. Hotel Association of North Texas
 - iii. Brooke Floyd – 214-742-4930 or brooke@hantx.org