

Memorandum



DATE January 23, 2026

CITY OF DALLAS

Honorable Members of the Finance Committee: Chad West (Chair), Kathy Stewart
TO (Vice Chair), Zarin D. Gracey, Maxie Johnson, Jesse Moreno, Jaime Resendez,
Gay Donnell Willis
SUBJECT **Responses to Questions from the Committee on Finance Meeting on
December 9, 2025**

On December 9, 2025, the City Controller's Office (CCO) provided a memorandum briefing the Committee on Finance regarding amendments to Chapter 44, "Taxation", of the Dallas City Code. During that meeting, Committee members requested additional information related to the enforcement and collection of hotel occupancy taxes (HOT), including short-term rental (STR) compliance efforts.

This memorandum provides supplemental information and responds to questions raised during the December 9, 2025, meeting.

Hotel Occupancy Tax Revenues

The table below summarizes total HOT revenues collected during fiscal years 2020 through 2025.

Fiscal Year	7% HOT-Hotel	7% HOT-STR	2% HOT-Hotel	2% HOT-STR	Total
2020	\$ 40,508,088	\$ 1,093,371	\$ -	\$ -	\$ 41,601,459
2021	\$ 38,740,719	\$ 1,675,144	\$ -	\$ -	\$ 40,415,863
2022	\$ 67,559,259	\$ 2,806,230	\$ -	\$ -	\$ 70,365,488
2023	\$ 82,594,199	\$ 3,173,003	\$ 17,202,093	\$ 617,533	\$ 103,586,828
2024	\$ 82,817,794	\$ 2,380,120	\$ 23,574,880	\$ 673,146	\$ 109,445,941
2025	\$ 81,640,036	\$ 2,119,732	\$ 23,295,214	\$ 578,769	\$ 107,633,752
Total	\$ 393,860,095	\$ 13,247,600	\$ 64,072,187	\$ 1,869,449	\$ 473,049,331

Note: The City's HOT revenues decreased slightly from 2024 to 2025. We reviewed the State of Texas HOT revenues and noted the HOT revenues decreased slightly from 2024 to 2025 as well.

Penalties and Interest Assessed and Collected

The tables below reflect the number of properties that paid penalties and interest for noncompliance with HOT requirements and the total penalty and interest amounts collected during fiscal years 2020 through 2025.

PENALTY						
Fiscal Year	Hotel-Count	Hotel-Amount	STR-Count	STR-Amount	Total-Count	Total-Amount
2020	59	\$ 62,868	419	\$ 35,371	478	\$ 98,239
2021	47	\$ 118,067	295	\$ 35,476	342	\$ 153,542
2022	50	\$ 196,599	488	\$ 73,535	538	\$ 270,134
2023	45	\$ 383,783	561	\$ 70,633	606	\$ 454,416
2024	47	\$ 137,586	437	\$ 60,891	484	\$ 198,477
2025	51	\$ 206,077	363	\$ 70,985	414	\$ 277,062
Total	299	\$ 1,104,979	2,563	\$ 346,891	2,862	\$ 1,451,871

INTEREST						
Fiscal Year	Hotel-Count	Hotel-Amount	STR-Count	STR-Amount	Total-Count	Total-Amount
2020	32	\$ 6,097	345	\$ 9,661	377	\$ 15,758
2021	21	\$ 19,639	226	\$ 10,917	247	\$ 30,556
2022	33	\$ 36,358	357	\$ 18,037	390	\$ 54,395
2023	23	\$ 1,153,866	363	\$ 21,050	386	\$ 1,174,916
2024	24	\$ 12,229	277	\$ 12,272	301	\$ 24,501
2025	24	\$ 36,904	228	\$ 36,907	252	\$ 73,810
Total	157	\$ 1,265,094	1,796	\$ 108,844	1,953	\$ 1,373,938

Audit Collections

As part of our compliance efforts, the CCO conducts HOT audits. A large portion of the delinquent HOT identified as a result of the audits was collected with the valuable support of the City Attorney's Office (CAO). The table below shows payments received during fiscal years 2020 through 2025.

Fiscal Year	7% HOT	2% HOT	Total
2020	\$ 60,666	\$ -	\$ 60,666
2021	\$ 173,817	\$ -	\$ 173,817
2022	\$ 448,343	\$ -	\$ 448,343
2023	\$ 3,459,266	\$ 68,657	\$ 3,527,923
2024	\$ 575,343	\$ 65,442	\$ 640,785
2025	\$ 421,374	\$ 65,419	\$ 486,794
Total	\$ 5,138,809	\$ 199,519	\$ 5,338,327

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Short-Term Rental Compliance Efforts

To improve compliance among STR operators, the City retained Neumo (formerly GovOS) to identify unregistered STR properties operating within the City. When unregistered activity is identified, the CCO issues written notifications to property owners or operators outlining requirements for HOT registration, filing, and remittance. Notices are sent monthly, with ongoing follow-up to enforce compliance. CCO staff work directly with responsive owners to collect delinquent taxes and bring properties into compliance with City Code. In certain cases, involving non-responsive owners, City staff estimate tax liability using available STR listing data and refer those matters to the CAO for collection.

In addition to direct enforcement efforts, the CCO in collaboration with the CAO is currently evaluating the process and feasibility of entering into Voluntary Collection Agreements with STR platforms such as Airbnb and HomeAway.

Should you have any questions or require additional information, please contact Sheri Kowalski, City Controller, City Controller's Office, at 214-670-3856 or by email at sheri.kowalski@dallas.gov.

Service First, Now!



Jack Ireland
Chief Financial Officer

c: Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors