

Memorandum



CITY OF DALLAS

DATE May 26, 2026

TO Honorable Members of the Finance Committee: Chad West (Chair), Kathy Stewart (Vice Chair), Zarin D. Gracey, Maxie Johnson, Jesse Moreno, Jaime Resendez, Gay Donnell Willis

SUBJECT **Update of anticipated impacts for Hotel Occupancy Tax and Short-Term Rentals associated with the FIFA World Cup 2026.**

This memorandum, prepared collaboratively by the City Controller's Office (CCO) and Code Compliance Services, provides information regarding short-term rentals (STRs) within the City of Dallas (City) and the anticipated impacts associated with FIFA World Cup 2026, which will take place in the Dallas–Fort Worth (DFW) region during June and July 2026. Updated information about hotel occupancy tax (HOT) is also included.

Code Compliance Services

As the DFW region prepares to host FIFA World Cup 2026, the City anticipates increased STR activity, private gatherings, and event-related occupancy throughout City neighborhoods and commercial areas.

Dallas City Code (City Code) Chapter 42B, Short-Term Rentals, remains under temporary injunction and is not currently enforceable; however, several existing City ordinances may apply depending on the nature of the activity occurring at a property, including:

- City Code Chapter 27 – Minimum Property Standards
- City Code Chapters 30 and 51A – Noise and zoning-related regulations
- City Code Chapter 38A – Promoters
- City Code Chapter 42A – Special Events

Residentially zoned properties may not be used in a manner inconsistent with applicable zoning regulations, including unauthorized commercial event venue, party house, or assembly uses. Certain large gatherings or organized events may also require special event permitting depending on attendance, traffic impacts, amplified sound, tents, street closures, or other operational characteristics.

Noise complaints and late-night disturbances, particularly within residential areas, are primarily addressed by the Dallas Police Department. When staffing resources are available, Code Compliance Services may assist with illegal land use investigations, property condition violations, permit-related concerns, and proactive engagement with property owners.

City Controller’s Office - Hotel Occupancy Tax Collections

Short-Term Rental HOT Collection Efforts

To strengthen HOT collection efforts among STR operators, the City retained Neumo to identify unregistered STR properties operating within the City. When unregistered activity is identified, the CCO issues written notices to property owners and operators outlining requirements for HOT registration, filing, and remittance. Notices are distributed monthly, with ongoing follow-up conducted to encourage compliance with these requirements. CCO staff work directly with responsive owners to resolve delinquent tax obligations and bring properties into good standing with HOT requirements. In certain cases, involving non-responsive owners, City staff estimate tax liability using available STR listing data and refer those matters to the City Attorney’s Office (CAO) for collection.

In addition to the collection efforts above and in preparation for FIFA World Cup 2026, the CCO, in collaboration with the Communications & Customer Experience/311 Department, launched a social media outreach campaign beginning in March 2026 to increase awareness of the City’s HOT registration and reporting requirements among STR operators. The social media outreach campaign will continue as an ongoing HOT collection effort beyond FIFA World Cup 2026.

Hotel and STR Counts

The table below shows the number of registered hotels and STRs within the City and the number of potential STRs pending registration.

Hotel and STR Counts							
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 as of 5/1/26
Hotels-Active Count	269	266	271	274	262	265	268
STRs-Active Count	650	917	1,457	1,897	2,024	2,129	2,271
Total Active Count	919	1,183	1,728	2,171	2,286	2,394	2,539
STRs-Potential Count	1,410	1,321	1,188	1,369	1,488	1,817	1,902

Hotel Occupancy Tax Revenues

The table below summarizes total HOT revenues collected during fiscal years 2020 through 2026 year-to-date.

Fiscal Year	Texas Tax Code Chapter 351	Texas Tax Code Chapter 351	Texas Local Govt Code Chapter 334 (Brimer Bill)	Texas Local Govt Code Chapter 334 (Brimer Bill)	Total
	7% HOT-Hotel	7% HOT-STR	Add'l 2% HOT-Hotel	Add'l 2% HOT-STR	
2020	\$ 40,508,629	\$ 1,093,371	\$ -	\$ -	\$ 41,602,000
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	\$ 107,633,751
2026 YTD March	\$ 40,219,485	\$ 1,004,795	\$ 11,491,242	\$ 286,222	\$ 53,001,744
Total	\$ 434,080,121	\$ 14,252,395	\$ 75,563,429	\$ 2,155,670	\$ 526,051,615

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.

Audit Collections

As part of the ongoing collection efforts, the CCO conducts HOT audits to identify and recover delinquent taxes. A significant portion of the outstanding HOT liabilities identified through these audits have been collected with the assistance of the CAO. The table below summarizes payments received during fiscal years 2020 through fiscal year 2026 year-to-date.

Fiscal Year	Texas Tax Code Chapter 351	Texas Local Govt Code Chapter 334 (Brimer Bill)	Total
	7% HOT	Additional 2% HOT	
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
2026 YTD March	\$ 129,551	\$ 36,528	\$ 166,079
Total	\$ 5,268,360	\$ 236,046	\$ 5,504,406

DATE May 26, 2026
SUBJECT **Update of anticipated impacts for Hotel Occupancy Tax and Short-Term Rentals associated with the FIFA World Cup 2026.**
PAGE 4 of 4

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 Bizzor Tolbert, City Manager
Bertram Vandenberg, City Attorney (I)
Mamatha Sparks, City Auditor (I)
Billieae 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
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors