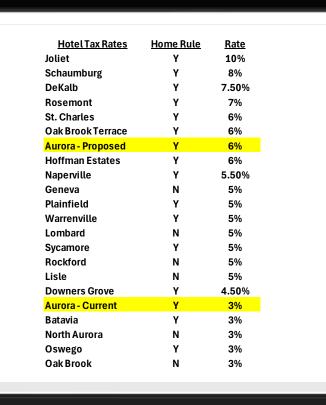
CHRIS MINICK, CHIEF FINANCIAL OFFICER
JULY 10, 2025

- Section 44-191 of the Code of Ordinances
- Enacted in December 1987
- Imposes a City tax at a rate of 3% of a hotel room rental charge
 - Has not changed since 1987
- Collected from person renting room pass through to hotelier
- Proceeds remitted to City on a monthly basis
- Does not apply to rooms in dormitories operated by religious institutions, schools or universities – including staff housing

- City's rate is at lower end of area communities
 - Rates of 5% 6% more common
 - City generates approximately \$550,000 to \$585,000 annually at 3% rate
- Revenue inures to the benefit of the General Fund
- Payment made in support of Aurora Area Convention and Visitor's Bureau activities
 - \$225,000 annually
- Remainder available for City operations

		Annual
	<u>Year</u>	<u>Revenue</u>
	2024	\$ 573,031.58
	2023	\$ 573,472.32
	2022	\$ 584,573.68
	2021	\$ 448,311.33
	2020	\$ 295,764.28
	2019	\$ 498,123.41
	2018	\$ 542,635.86
ı	Seven Year Average	\$ 502,273.21
	Average excluding 2020 and 2021	\$ 554,367.37
	Hotel Motel Tax Rate = 3%	

HOTEL OCCUPANCY TAX-REVENUE HISTORY 2018 - 2024



HOTEL OCCUPANCY TAX-COMPARISON WITH AREA COMMUNITIES

Proposal:

- Increase Rate from 3% to 6%
- Incorporate a flat \$10 tax amount for "comped" rooms
- Effective January 1, 2026
- Provide additional revenue annually
 - Currently 635 hotel rooms in Aurora inventory
 - Casino hotel will add approximately 220 rooms

POTENTIAL ADDITIONAL REVENUE GENERATION

Existing hotel room inventory could generate \$ 568,000

New rooms at Casino could generate

\$ 560,000

• Total Potential New Revenue \$1,128,000

Benefits:

- Discretionary
- Not typically "shopped" hotels are typically selected based on location
- Tax applies to and is paid mainly by non-residents
- Provides additional revenues to offset costs

Questions??