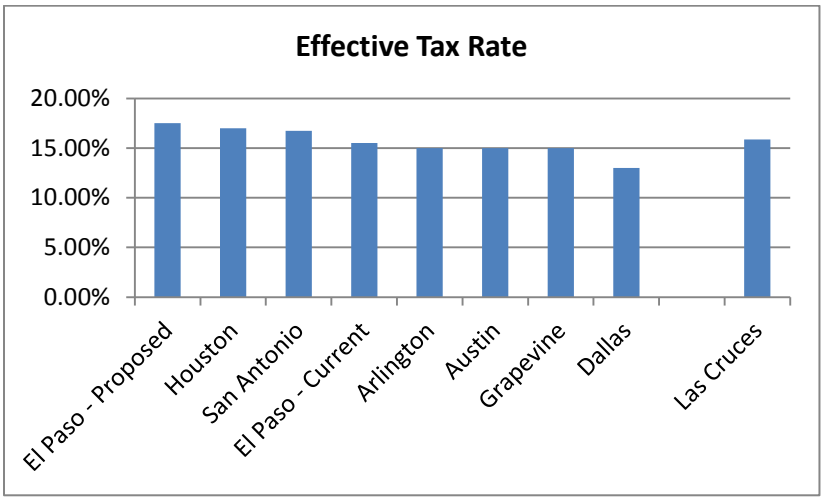
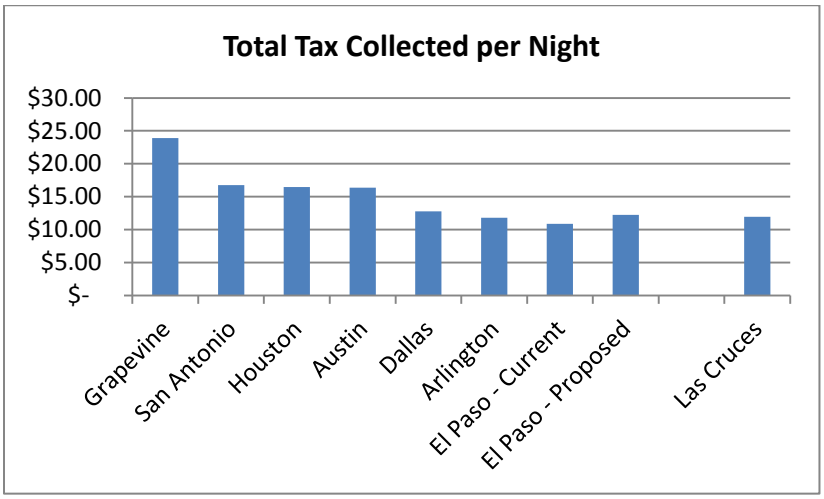
Facts of Hotel Occupancy Tax Rate and Revenues Collected

- Currently the breakdown of the current 15.5% Hotel Occupancy Tax (HOT) is as follows:
  - 6% to the State of Texas
  - 7%* to the City of El Paso (15% is dedicated to the Museums & Cultural Affairs Department)
    - 4.5% is shared by Destination Marketing/Facility Operations
      - 3% for Destination Marketing/Facility Operations
      - 1.5% Dedicated to Destination Marketing
    - 2.5% to the City of El Paso – Debt Service/Capital
  - 2.5% to the County of El Paso
    - Over 80% of the County's portion is used towards the operation of the El Paso County Coliseum
- Of the proposed 17.5% HOT, 2% will be dedicated towards the funding of a new baseball park in downtown El Paso.
- While it appears that El Paso will have the highest HOT rate in the state, when the actual revenue is calculated per night, El Paso still ranks as one of the most affordable cities. The proposed increase of 2% results in an additional $1.40 per night based on El Paso's current Average Daily Rate (ADR).
- When compared to other Texas cities, El Paso continues to reflect the lowest Average Daily Rate.
- Currently Las Cruces imposes a 12.56% tax plus a $2.50 flat rate per night, resulting in a effective rate of 15.88% HOT. The $2.50 per night is dedicated to the newly constructed Convention Center.





Comparision of Hotel Occupancy Tax Rate and Revenues Collected

With the proposed 2% increase in HOT, El Paso will be ranked highest in the state.

City	Total Room Tax	Total Room Fees	Effective Tax Rate	ADR*	Total Tax in $	Gross Taxable Receipts	Total Tax Revenue**	Total Tax Revenue Less State
El Paso - Proposed	17.50%		17.50%	$ 70.05	$ 12.26	$ -	$ -	$ -
Houston	17.00%		17.00%	$ 96.80	$ 16.46	$ 1,017,192,297.37	$ 172,922,690.55	$ 111,891,152.71
San Antonio	16.75%		16.75%	$ 99.94	$ 16.74	$ 747,528,781.80	$ 125,211,070.95	$ 80,359,344.04
El Paso - Current	15.50%		15.50%	$ 70.05	$ 10.86	$ 127,347,176.87	$ 19,738,812.41	$ 12,097,981.80
Arlington	15.00%		15.00%	$ 78.52	$ 11.78	$ 86,016,547.13	$ 12,902,482.07	$ 7,741,489.24
Austin	15.00%		15.00%	$ 108.98	$ 16.35	$ 552,163,583.00	$ 82,824,537.45	$ 49,694,722.47
Grapevine	15.00%		15.00%	$ 159.51	$ 23.93	$ 206,858,892.67	$ 31,028,833.90	$ 18,617,300.34
Dallas	13.00%		13.00%	$ 98.43	$ 12.80	$ 551,135,429.08	$ 71,647,605.78	$ 38,579,480.04
Las Cruces	12.56%	$ 2.50	15.88%	$ 75.33	$ 11.96	$ 36,480,000.00		

While it appears that El Paso has the highest rate, when calculated the actual revenue collected per night El Paso ranks last in Texas. The proposed increase of 2% results in an additional $1.40 while maintaining affordable rate compared to other Texas cities.

City	Total Room Tax	Total Room Fees	Effective Tax Rate	ADR*	Total Tax in $	Gross Taxable Receipts	Total Tax Revenue**	Total Tax Revenue Less State
Grapevine	15.00%		15.00%	$ 159.51	$ 23.93	$ 206,858,892.67	$ 31,028,833.90	$ 18,617,300.34
San Antonio	16.75%		16.75%	$ 99.94	$ 16.74	$ 747,528,781.80	$ 125,211,070.95	$ 80,359,344.04
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El Paso - Current	15.50%		15.50%	$ 70.05	$ 10.86	$ 127,347,176.87	$ 19,738,812.41	$ 12,097,981.80
El Paso - Proposed	17.50%		17.50%	$ 70.05	$ 12.26	$ -	$ -	$ -
Las Cruces	12.56%	$ 2.50	15.88%	$ 75.33	$ 11.96	$ 36,480,000.00		

Despite a 2% increase in HOT, the city's portion of the total revenue collected ranks second to last when compared to the 6 major Texas cities.

City	Total Room Tax	Total Room Fees	Effective Tax Rate	ADR*	Total Tax in $	Gross Taxable Receipts	Total Tax Revenue**	Total Tax Revenue Less State
Houston	17.00%		17.00%	$ 96.80	$ 16.46	$ 1,017,192,297.37	$ 172,922,690.55	$ 111,891,152.71
San Antonio	16.75%		16.75%	$ 99.94	$ 16.74	$ 747,528,781.80	$ 125,211,070.95	$ 80,359,344.04
Austin	15.00%		15.00%	$ 108.98	$ 16.35	$ 552,163,583.00	$ 82,824,537.45	$ 49,694,722.47
Dallas	13.00%		13.00%	$ 98.43	$ 12.80	$ 551,135,429.08	$ 71,647,605.78	$ 38,579,480.04
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Arlington	15.00%		15.00%	$ 78.52	$ 11.78	$ 86,016,547.13	$ 12,902,482.07	$ 7,741,489.24
El Paso - Proposed	17.50%		17.50%	$ 70.05	$ 12.26	$ -	$ -	$ -

When compared to other Texas cities, El Paso continues to reflect the lowest Average Daily Rate.

City	Total Room Tax	Total Room Fees	Effective Tax Rate	ADR*	Total Tax in $	Gross Taxable Receipts	Total Tax Revenue**	Total Tax Revenue Less State
Grapevine	15.00%		15.00%	$ 159.51	$ 23.93	$ 206,858,892.67	$ 31,028,833.90	$ 18,617,300.34
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El Paso - Current	15.50%		15.50%	$ 70.05	$ 10.86	$ 127,347,176.87	$ 19,738,812.41	$ 12,097,981.80
El Paso - Proposed	17.50%		17.50%	$ 70.05	$ 12.26	$ -	$ -	$ -
Las Cruces	12.56%	$ 2.50	15.88%	$ 75.33	$ 11.96	$ 36,480,000.00		

*Office of the Governor, Texas Economic Development & Tourism Division for 2011
**Texas Comptroller for 2011