

## New Frisco Tourism PID

**RE: Implementation of Frisco Tourism PID Fee on Guest Folios to Cover the Frisco Tourism Public Improvement District (FTPID) Assessment**

Dear xxxxxxx,

As you are likely aware, Frisco area hoteliers recently submitted sufficient signatures to propose approval of a local Frisco Tourism Public Improvement District. To fund the District, the Frisco City Council approved the creation of the Frisco Tourism Public Improvement District and an assessment rate of 2 percent on each taxable room night sold by hotels with 75 or more rooms within the City of Frisco. We are providing the below information to assist in your ability to legally and effectively implement the Frisco Tourism PID Assessment fee.

**Beginning October 1, 2022**, hotels with 75 rooms or more, will be subject to a monthly Tourism PID assessment. **The Tourism PID assessment amounts to 2 % of the total amount of room night sales that are subject to local hotel occupancy tax.** The assessment will need to be remitted by hotels along with your regular local hotel occupancy tax payments to the City.

**We anticipate that all hotels within the Frisco Tourism Public Improvement District will choose to pass on this assessment to their guests in the form of a 2 percent tourism public improvement district fee.** This methodology has been implemented successfully by hotels within the Dallas, Fort Worth, San Antonio, Arlington and Waco Tourism Public Improvement Districts. If your hotel chooses to undertake this approach, it is vital that the wording for the pass-through charge **not** be labeled as a "tax" since pass-through charges such as TPID fees do not legally have that stature. **The charge should be listed as the "Frisco Tourism PID Fee" and should be calculated at 2 percent of the taxable room night charge.** For example, if you have a \$100 room night, you could include a \$2.00 Frisco Tourism PID fee. Further, please be aware that the \$102.00 total (the combined room charge and TPID fee) would all be subject to both the local hotel occupancy tax and the state hotel occupancy tax.

All hotels within the Frisco Tourism Public Improvement District that choose to pass on the Tourism PID fee onto their guest folios should update their billing software, websites, reservation lines, group contracts, and any other pricing information so that the "Frisco Tourism PID Fee" is clearly represented and affirmatively noted to all potential guests and on all guest bills. An example is provided below for a \$100 room rate:

Room Rate:	\$100
<b>Frisco PID Fee (2%):</b>	<b>\$2.00</b>
State Hotel Occupancy Tax (6%):	\$6.12
Local Hotel Occupancy Tax (7%):	\$7.14
Total:	\$115.26 (including taxes and fees)

As noted, the 2 percent Tourism PID fee only applies when the local hotel occupancy tax applies. In other words, any room nights that are exempt from local hotel occupancy tax (e.g.; over 30-night stays) are not subject to the Frisco Tourism PID assessment.

Again, **Frisco Tourism PID assessments will take effect on October 1, 2022.** Therefore, it is vital that each hotel within the new Frisco Tourism Public Improvement District update its billing software as soon as possible to ensure seamless collection of the Frisco Tourism PID Fee. We have asked City staff to be ready to work with area hotels to address any special issues which may arise regarding the implementation of the district

assessments. Please do not hesitate to contact our General Counsel, Scott Joslove on his cell phone at (512) 565-5292 or at [sjoslove@texaslodging.com](mailto:sjoslove@texaslodging.com) at any time for any assistance or additional information that would be helpful or contact Marla Roe at (---)----- or at [Marla@visitfrisco.com](mailto:Marla@visitfrisco.com)

Sincerely,

Marla Roe  
Executive Director  
**Visit Frisco**

Scott Joslove  
President & CEO/Senior General Counsel  
**Texas Hotel & Lodging Association**