Council Business Meeting

Agenda Item	First Reading of Ordinance No. 3202 Relating to Transient Occupancy Taxes; Amending Ashland Municipal Code 4.24.020	
From	Katrina L. Brown	Interim City Attorney
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SUMMARY
This is the time set for First Reading of proposed Ordinance No. 3202 amending Ashland Municipal Code (AMC) 4.24.020 to refine the definition of "Tax Administrator" therein at the request of the Oregon Department of Revenue.

POLICIES, PLANS & GOALS SUPPORTED
Administrative/Governance goal:
"To ensure on-going fiscal ability to provide desired and required services at an acceptable level"

PREVIOUS COUNCIL ACTION
N/A

BACKGROUND AND ADDITIONAL INFORMATION
In August of 2021, the City Council adopted Ordinance No. 3201 which updated AMC Chapter 4.24 related to the City's Transient Lodging Taxes. One purpose of the update was to allow the Oregon Department of Revenue (DOR) to collect and administer the City's Transient Lodging Taxes. The DOR has now requested one additional modification to the City's definition of "Tax Administrator" to specify the City's obligations if it does utilize the DOR as its Tax Administrator.

FISCAL IMPACTS
The City will save approximately $7,650 in audit costs and $68,887 in staff costs per year by contracting with the DOR to collect the City's Transient Lodging Taxes. The administrative cost for the DOR is estimated to be $19,950 per year, resulting in a total savings of $56,587 per year for the City.

STAFF RECOMMENDATION
Staff recommends that the City Council approve First Reading of Ordinance No. 3202 and advance it to Second Reading for enactment.

ACTIONS, OPTIONS & POTENTIAL MOTIONS
I move to approve First Reading of Ordinance No. 3202 and advance it to Second Reading for enactment.
I move to amend Ordinance No. 3202 as follows . . ..

REFERENCES & ATTACHMENTS
Ordinance No. 3202

CITY OF
ASHLAND

ORDINANCE NO. 3202

AN ORDINANCE RELATING TO TRANSIENT LODGING TAXES; AMENDING AMC 4.24.020

Annotated to show deletions and additions to the Ashland Municipal Code sections being modified. Deletions are **bold lined through**, and additions are **bold underlined.**

THE PEOPLE OF THE CITY OF ASHLAND DO ORDAIN AS FOLLOWS:

<u>**SECTION 1.**</u> Ashland Municipal Code 4.24.020 is hereby amended as follows:

4.24.020   Definitions.

The following definitions shall apply to this chapter:

A. "Collection reimbursement charge" means the amount a transient lodging tax collector may retain as reimbursement for the costs incurred by the transient lodging tax collector in collecting and reporting a transient lodging tax and in maintaining transient lodging tax records.

B. "Full Breakfast" means a complete meal served to an occupant as part of the rent and consisting of a minimum of three (3) prepared food items plus a beverage. The full breakfast may not be served in a restaurant open to the general public.

C. "Occupancy" means the use or possession, or the right to the use or possession of any room or rooms or portion thereof, in any transient lodgings.

D. "Occupant" means any individual who exercises occupancy or is entitled to occupancy in transient lodging for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days.

E. "Person" means any individual, firm, partnership, joint venture, limited liability company, corporation, limited liability partnership, association, host, social club, fraternal organization, fraternity, sorority, public or private dormitory, joint stock company, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as unit.

F. "Rent" means the consideration paid or payable by an occupant for the occupancy of space in transient lodging valued in money, goods, labor, credits, property, or other consideration. If a separate fee is charged for services, goods or commodities and the fee is optional, that fee is not included in rent.

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G. "Short-Term Rental" means a house, duplex, multi-plex, apartment, condominium, houseboat, trailer, or other residential dwelling unit where a person rents a guest bedroom or the entire residential dwelling unit for transient lodging occupancy. Generally, a short-term rental is zoned residential or has a building occupancy that only allows for residential use.

H. "Short-Term Rental Hosting Platform" means a business or other person that facilitates the retail sale of transient lodging by connecting occupants with transient lodging providers, either online or in any other manner. Short-term rental hosting platforms are transient lodging intermediaries

I. "Tax Administrator" means the Director of Finance or the Director's designee**, which may include the Oregon Department of Revenue. If the City utilizes the Oregon Department of Revenue as its tax administrator, it will comply with ORS 305.620 in that it will follow the rules adopted by the Department of Revenue regarding the administration, collection, enforcement, and distribution of transient lodging taxes**.

J. "Transient lodging" means:

   (a) Hotel, motel, and inn dwelling units that are used for temporary overnight human occupancy;

   (b) Spaces used for parking recreational vehicles or erecting tents during periods of human occupancy; or

   (c) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any of these dwelling units, that are used for temporary human occupancy.

K. "Transient lodging intermediary" means a person other than a transient lodging provider that facilitates the retail sale of transient lodging and:

   (a) Charges for occupancy of the transient lodging;

   (b) Collects the consideration charged for occupancy of the transient lodging; or

   (c) Receives a fee or commission and requires the transient lodging provider to use a specified third-party entity to collect the consideration charged for occupancy of the transient lodging.

L. "Transient lodging provider" means a person that furnishes transient lodging.

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1   M. "Transient lodging tax," "TLT," or "tax" means the tax imposed on the sale, service, or

2   furnishing of transient lodging.

3   N. "Transient lodging tax collector" means a transient lodging provider or a transient lodging

4   intermediary.

5   **SECTION 2.**   **Codification.**   In preparing this ordinance for publication and distribution, the

6   City Recorder shall not alter the sense, meaning, effect, or substance of the ordinance, but within

7   such limitations, may:

8   **(a)**   Renumber sections and parts of sections of the ordinance;

9   **(b)**   Rearrange sections;

10   **(c)**   Change reference numbers to agree with renumbered chapters, sections or other parts;

11   **(d)**   Delete references to repealed sections;

12   **(e)**   Substitute the proper subsection, section, or chapter numbers;

13   **(f)**   Change capitalization and spelling for the purpose of uniformity;

14   **(g)**   Add headings for purposes of grouping like sections together for ease of reference; and

15   **(h)**   Correct manifest clerical, grammatical, or typographical errors.

16   **SECTION 3.**   **Severability.**   Each section of this ordinance, and any part thereof, is severable,

17   and if any part of this ordinance is held invalid by a court of competent jurisdiction, the

18   remainder of this ordinance shall remain in full force and effect.

19   PASSED by the City Council this _____ day of <u>October</u>, 2021.

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21   ATTEST:

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                      Melissa Huhtala, City Recorder

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2   SIGNED and APPROVED this _____ day of _____, 2021.
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                              Julie Akins, Mayor
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9 Reviewed as to form:
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Katrina L. Brown, Interim City Attorney
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