

# Council Business Meeting

May 23, 2022

<b>Agenda Item</b>	First Reading of Ordinance No.3209 Relating to Transient Lodging Taxes; Amending Ashland Municipal Code 4.24.070	
<b>From</b>	Alison Chan	Interim Finance Director
<b>Contact</b>	<a href="mailto:alison.chan@ashland.or.us">alison.chan@ashland.or.us</a> (541) 552-2003	

## **SUMMARY**

This is the time set for First Reading of proposed Ordinance No. 3209 amending Ashland Municipal Code (AMC) 4.24.070 to refine the definition of “Exemptions” 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 October of 2021, the City Council adopted Ordinance No. 3202 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 “Exemptions” to remove the Breakfast Exemption which is not an allowed exemption under Oregon Revised Statutes (ORS). Those providers who have taken this exemption in the past have been notified that this exemption is no longer allowed under ORS 320.308.

## **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. 3209 and advance it to Second Reading for enactment.

## **ACTIONS, OPTIONS & POTENTIAL MOTIONS**

I move to approve First Reading of Ordinance No. 3209 and advance it to Second Reading for enactment.

I move to amend Ordinance No. 3209 as follows . . .

## **REFERENCES & ATTACHMENTS**

Ordinance No. 3209



1 ~~an occupant at a transient lodging. However, in no case shall the exemption exceed the~~  
2 ~~greater of ten percent (10%) of the total amount charged per day for rent or \$20.00 per~~  
3 ~~day. This amount shall be adjusted on July 1 of each year based on the change in the~~  
4 ~~Portland Consumer Price Index.~~

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 \_\_\_\_\_, 2022.

21 ATTEST:

22 \_\_\_\_\_  
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24 Melissa Huhtala, City Recorder

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27 SIGNED and APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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30 Julie Akins, Mayor

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Reviewed as to form:

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Katrina L. Brown, City Attorney