

Council Business Meeting

June 19, 2018

Title:	Ordinance Amending AMC 4.24.020 Allowing for the Tax Imposed to be set by Resolution		
From:	Mark Welch	Director of Finance	
	mark.welch@ashland.or.us		

Summary:

The proposed Ordinance amends the Ashland Municipal Code Chapter 4.24.020 allowing for the Transient Occupancy Tax to be set by a separate resolution. The intent of the change will be an increase in the rate from 9 percent to 10 percent through a separate resolution.

Actions, Options, or Potential Motions:

I move to approval of the second reading by title only of “An Ordinance Amending AMC 4.24.020, Allowing for the Transient Occupancy Tax Rate to be set by Resolution”.

Staff Recommendation:

Staff recommends approval of the proposed Ordinance amending AMC 4.24.020.

Resource Requirements:

N/A

Policies, Plans and Goals Supported:

N/A

Background and Additional Information:

At the April 17, 2018 City Council Meeting a motion was approved to direct staff to prepare an Ordinance change to increase the Transient Occupancy Tax Rate from 9 percent to 10 percent. The proposed Ordinance Change will remove the setting of the rate in Ordinance Form but rather allow the Tax Rate Imposed to be set by separate Council Resolution.

First reading was held on June 5, 2018. If the Ordinance change passes, a separate resolution setting the Tax Rate Imposed will be held subsequent to the Ordinance passage. No changes have been made to the proposed Ordinance from first reading.

Attachments:

Attachment A: Ordinance Amending AMC 4.24.020

**AN ORDINANCE AMENDING THE ASHLAND MUNICIPAL CODE 4.24.020,
ALLOWING FOR THE TRANSIENT OCCUPANCY TAX RATE TO BE SET BY
RESOLUTION**

WHEREAS, ORS 320.350(6) authorizes local governments to increase transient occupancy taxes provided certain limitations and restrictions are imposed on the funds collected; and

WHEREAS, the City of Ashland conducted a public hearing on June 5, 2018 on the question of whether the City's should set the tax rate by resolution; and

WHEREAS, after due consideration from the public, staff and due deliberation, the City of Ashland finds it desirable to set the City's transient occupancy tax by separate resolution.

SECTION 1. Ashland Municipal Code 4.24.020 is hereby amended to read as follows:

For the privilege of occupancy in any transient lodging, each transient is subject to and must pay a tax in the amount ~~of nine (9%) percent of the total rent paid by a transient, as defined in Section 4.24.010.E~~ **set by separate City Council Resolution.** Said tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator of the transient lodging at the time the rent is paid. The operator must collect and record the tax into the record when rent is collected, if the operator keeps records on the cash basis of accounting, and when earned if the operator keeps records on the accrual accounting basis. If the rent is paid in installments, a proportionate share of the tax must be paid with each installment. The unpaid tax is due upon the transient's ceasing to occupy space in the transient lodging. If for any reason the tax due is not paid to the operator of the transient lodging, the Tax Administrator may require that such tax be paid directly to the Tax Administrator.

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1 situation that nothing in this Ordinance affects the validity of prosecutions commenced and
2 continued under the laws in effect at the time the matters were originally filed.

3 **SECTION 3. Severability.** The sections, subsections, paragraphs and clauses of this ordinance
4 are severable. The invalidity of one section, subsection, paragraph, or clause shall not affect the
5 validity of the remaining sections, subsections, paragraphs and clauses.

6 **SECTION 4. Codification.** Provisions of this Ordinance shall be incorporated in the City Code,
7 and the word “ordinance” may be changed to “code”, “article”, “section”, or another word, and
8 the sections of this Ordinance may be renumbered or re-lettered, provided however, that any
9 Whereas clauses and boilerplate provisions (*i.e.*, Sections Nos. 2-4) need not be codified, and the
10 City Recorder is authorized to correct any cross-references and any typographical errors.

11 The foregoing ordinance was first read by title only in accordance with Article X, Section 2(C)
12 of the City Charter on the ____ day of _____, 2018, and duly PASSED and ADOPTED
13 this ____ day of _____, 2018.

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15 _____
16 Melissa Huhtala, City Recorder

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18 SIGNED and APPROVED this ____ day of _____, 2018.

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20 _____
21 John Stromberg, Mayor

22 Reviewed as to form:

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24 _____
25 David H. Lohman, City Attorney
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