

Council Business Meeting

June 19, 2018

Title: Public Hearing Adopting a Resolution Setting the Transient Occupancy Tax Rate

From: Mark Welch Administrative Services Director

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Summary:

The City of Ashland imposes a Transient Occupancy Tax (TOT) pursuant to Ashland Municipal Code 4.24. If the TOT Ordinance amendment is approved, a resolution is required to set the Tax Rate Imposed in AMC 4.24.020.

Actions, Options, or Potential Motions:

I move to approve “A Resolution Setting the Transient Occupancy Tax Rate.”

Staff Recommendation:

Staff recommends approval of the resolution setting the Transient Occupancy Tax Rate

Policies, Plans and Goals Supported:

2.1 Engage community in conversation about core services, desired service levels and funding mechanisms.

Background and Additional Information:

Pursuant to the motion passed on [April 17, 2018](#) the resolution sets the Transient Occupancy Tax rate at 10 percent.

The attached resolution is only required if the proposed AMC 2.24.020 amendments are approved which state that the TOT Tax Rate is set by separate resolution.

With the Ordinance change, and effective date of August 1, 2018, the attached resolution ensures that current 9 percent tax continues to be imposed until the new rate is effective.

Finance Staff has communicated with impacted lodging provides to ensure a smooth transition. Part of the transition that becomes important to address is how to handle pre-paid rooms.

If, prior to August 1, 2018, a customer pre-pays for their stay for a period that is on or after August 1, 2018 the nine percent tax will be imposed as long as receipt showing the tax was collected prior to August 1st is provided. For example, if on May 31st a guest books and pays for their stay on August 3rd, the provider will charge nine percent tax and provide the City with the backup documentation with their tax submission. If the guest books and pays for their stay on August 1st for accommodations on August 3rd, then the lodging provider will charge ten percent tax and do not need to provide documentation.

Attachments:

Transient Occupancy Tax Allocation Resolution

RESOLUTION NO. 2018-_____

A RESOLUTION SETTING THE TRANSIENT OCCUPANCY TAX RATE

RECITALS:

- A. The City of Ashland imposes a Transient Occupancy Tax pursuant to Ashland Municipal Code Section 4.24
- B. The City of Ashland sets the Tax Imposed by resolution, as provided in an amendment to Ashland Municipal Code 4.24.020 adopted by City Council June 19, 2018.
- C. The Tax Imposed from the date of the Mayor's signature and approval of this resolution until July 31, 2018 is nine (9) percent.
- D. The Tax Imposed effective August 1, 2018 is ten (10) percent.

THE CITY OF ASHLAND RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Ashland hereby sets the Transient Occupancy Tax rate at nine (9) percent pursuant to Ashland Municipal Code 4.24.020 effective from the date of the Mayor's signature and approval of this resolution through July 31, 2018.

Section 2. The City Council of the City of Ashland hereby sets the Transient Occupancy Tax rate at ten (10) percent pursuant to Ashland Municipal Code 4.24.020 effective August 1, 2018.

This resolution was duly PASSED and ADOPTED this _____ day of June, 2018.

City Recorder, Melissa Huhtala

SIGNED and APPROVED this ____ day of _____, 2018.

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney