

# Council Business Meeting

June 14, 2022

<b>Agenda Item</b>	Second 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 Second 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 Second Reading of Ordinance No. 3209.

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

## **REFERENCES & ATTACHMENTS**

Ordinance No. 3209

1 **ORDINANCE NO. 3209**

2 **AN ORDINANCE RELATING TO TRANSIENT LODGING TAX; AMENDING AMC**

3 **4.24.070**

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

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

7 **SECTION 1.** Ashland Municipal Code 4.24.070 is hereby amended as follows:

8 **4.24.070 Exemptions**

9 No transient lodging tax shall be imposed upon:

- 10 A. A dwelling unit in a hospital, health care facility, long-term care facility, or any other  
11 residential facility that is licensed, registered, or certified by the Oregon Department of Human  
12 Services or the Oregon Health Authority;
- 13 B. A dwelling unit in a facility providing treatment for drug or alcohol abuse or providing  
14 mental health treatment;
- 15 C. A dwelling unit that is used by members of the general public for temporary human  
16 occupancy for fewer than thirty (30) days per calendar year;
- 17 D. A dwelling unit, the consideration for which is funded through a contract with a government  
18 agency and the purpose of which is to provide emergency or temporary shelter;
- 19 E. A dwelling unit at a nonprofit youth or church camp, nonprofit conference center, or other  
20 nonprofit facility; or
- 21 F. A dwelling unit that is leased or otherwise occupied by the same person for a period of thirty  
22 (30) consecutive days or more during the year. The requirements of this subsection are satisfied  
23 even if the physical dwelling unit changes during the consecutive period, and if:
- 24 1. All dwelling units occupied are within the same facility; and
  - 25 2. The person paying consideration for the transient lodging is the same person throughout  
26 the consecutive period.
- 27 ~~G. Any amount of rent paid that is solely attributable to one (1) full breakfast per day for~~

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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:

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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