



City of Oregon City

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Staff Report

File Number: 15-503

Agenda Date: 9/16/2015

Status: Agenda Ready

To: City Commission

Agenda #: 7c.

From: Finance Director Wyatt Parno

File Type: Ordinance

SUBJECT:

First Reading of Ordinance No. 15-1014, Amending Oregon City Municipal Code Chapter 3.04 - Transient Room Tax

RECOMMENDED ACTION (Motion):

Move to approve the first reading of Ordinance No. 15-1014, An Ordinance Amending Oregon City Municipal Code Chapter 3.04 - Transient Room Tax.

BACKGROUND:

Transient room taxes are collected by state and local governments from occupants of short-term lodging facilities. Hotels and similar businesses collect and remit the taxes, and the funds are typically used to promote tourism and program administration. Oregon City Municipal Code Chapter 3.04 establishes a 4% rate for transient lodging taxes. The rate is charged at the Rivershore Hotel, the Clackamette RV Park (operated by the City) and other lodging facilities, and would be charged at any newly constructed facilities.

Oregon Revised Statutes place certain restrictions on use of the funds, but currently allow modifications to the tax rates. At the City Commission work session on September 8, 2015, staff presented results from a study of transient room tax programs in surrounding jurisdictions, and the Commission directed staff to adjust the rate from 4% to 6% to be more in line with the mode for the region. Additionally, amendments to Oregon Revised Statutes during the 2013 regular session of the Oregon Legislative Assembly clarified how lodging taxes should be collected from intermediaries. This ordinance would adjust the rate and establish consistency between Oregon City Municipal Code and Statutes.

This action supports City Commission Goal 1, Maintain an Environment for Successful Economic Development - Enhance Tourism.

BUDGET IMPACT:

Amount: \$30,000 annually based on a 6% rate

FY(s): 2015-16 forward

Funding Source: Transient Room Tax