

Meeting Date: 5/21/2013

Report Type: Consent

Report ID: 2013-00338

Title: Ordinance Amendment: Elimination of Uniform Transient Occupancy Tax (TOT) Registration Requirement (Passed for Publication 05-07-13)

Location: Citywide

Issue: Requiring separate applications and issuing separate certificates for both TOT and Business Operations Tax (BOT) is redundant and inefficient.

Recommendation: Pass an Ordinance repealing Section 3.28.080 of the Sacramento City Code relating to hotel registration.

Contact: Brad Wasson, Revenue Manager, (916) 808-5844 Leyne Milstein, Finance Director, (916) 808-8491, Finance Department

Presenter: None

Department: Finance

Division: Revenue Administration

Dept ID: 06001211

Attachments:

- 1-Description/Analysis
- 2-Language of Section 3.28.080
- 3- Ordinance Repealing Section 3.28.080
- 4- Recommendation after PFP

City Attorney Review

Not Approved as to Form
Grace Arupo
5/16/2013 9:12:46 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
4/8/2013 11:22:30 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/14/2013 4:27:18 PM

Description/Analysis

Issue Detail: The current City Code on uniform transient occupancy tax (TOT), Section 3.28.080, contains a provision requiring each operator of any hotel renting occupancy to transients to register the hotel with the Revenue Division within thirty days after commencing business, and obtain a “transient occupancy registration certificate”. Concurrently, the current City Code on business operations tax (BOT), Sections 3.08.060 and 3.08.200 B., requires that every person engaged in the business of renting out accommodations on a transient occupancy basis pay an annual business operations tax and obtain a “business operations tax certificate”. Requiring separate applications and issuing separate certificates is redundant and inefficient. Staff recommends that City Code Section 3.28.080 requiring the duplicate registration of hotels be deleted from code.

Policy Considerations: Promoting efficiency in government and reducing unnecessary requirements for businesses will aid in the streamlining of the registration process and save time and expense for both parties.

Economic Impacts: None

Environmental Considerations: Because this report concerns general policy and procedure making, California Environmental Quality Act (CEQA) does not apply per section 15378 (b) (3), which states that continuing administrative or maintenance activities, which are not conducted in conjunction with a project subject to CEQA review, are not considered to be “projects” and are therefore exempt.

Sustainability: None.

Commission/Committee Action: The recommendation to pursue this change is the result of the work of the City Auditor as directed and approved by the Audit Committee. On March 19, 2013, the Law and Legislation Committee moved to advance an ordinance repealing Section 3.28.080 of the Sacramento City Code relating to hotel registration.

Rationale for Recommendation: Elimination of the TOT registration will eliminate an unnecessary redundancy as both applications require the applicant to provide the same information, resulting in the issuance of similar certificates, and neither constitutes a permit. Both registrations are for administrative purposes only.

Financial Considerations: No loss of revenue is anticipated, as the issuance of a TOT certificate is not a revenue generating transaction. The certificate is merely for registration purposes. Lodging establishments are separately required to submit monthly TOT statements along with the actual tax.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

3.28.080 Registration.

Within sixty (60) days after the effective date of this chapter, or within thirty (30) days after commencing business, whichever is later, each operator of any hotel renting occupancy to transients shall register such hotel with the assessor-collector and obtain from him or her a "transient occupancy registration certificate" to be at all times posted in a conspicuous place on the premises. Such certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel;
- C. The date upon which the certificate was issued;
- D. "This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Uniform Transient Occupancy Tax by registering with the assessor-collector for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the assessor-collector. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, nor to operate a hotel without strictly complying with all local applicable laws, including, but not limited to, those requiring a permit from any board, commission, department or office of this city. This certificate does not constitute a permit."

(Prior code § 41.04.026)

ORDINANCE NO. 2013-

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE REPEALING SECTION 3.28.080 OF THE SACRAMENTO CITY
CODE RELATING TO THE TRANSIENT OCCUPANCY TAX REGISTRATION
REQUIREMENT**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 3.28.080 of the Sacramento City Code is hereby repealed.

Adopted by the City of Sacramento City Council on _____ by
the following vote:

Ayes:

Nays:

Abstain:

Absent:

MAYOR

Attest:

City Clerk

Passed for Publication:

Published:

Effective:

Recommendation

Meeting Date: _____, 2013

Report Type: Consent

Title:

Ordinance Amendment: Elimination of Uniform Transient Occupancy Tax Registration Requirement (Passed for Publication XX-XX-13, published on XX-XX-13)

Recommendation:

Adopt an ordinance repealing Section 3.28.080 of the Sacramento City Code relating to hotel registration.

Contact:

Brad Wasson, Revenue Manager (916) 808-5844, Leyne Milstein, Finance Director (916) 808-8491

Presenter:

Brad Wasson, Revenue Manager (916) 808-5844, Leyne Milstein, Finance Director (916) 808-8491

Department: Finance

Division: Revenue

Dept ID: 06001211

Attachments:

- 1- Description/Analysis
- 2- Language of Section 3.28.080
- 3- Ordinance Repealing Sacramento City Code Section 3.28.030