

ORDINANCE No. 188170

Clarify definitions, administrative authority and make housekeeping changes to the Transient Lodgings Tax Code (Ordinance; amend Code Chapter 6.04)

The City of Portland ordains:

Section 1. The Council finds:

1. During proceedings by the City of Portland against HomeAway, Inc. to enforce provisions of the Transient Lodgings Tax Code, the U.S. District Court identified ambiguities in the Portland City Code that highlight the difficulties in applying older language to newer economies. The City of Portland filed an amended complaint in July, 2016. Much of the Code was originally written many years ago and does not adequately capture the City Council's intent that certain definitions and other language should include the expectation that short-term rental operations in the "sharing economy" such as HomeAway, Airbnb and others are subject to the City Code for regulatory and taxation purposes.
2. Certain definitions have not been updated in more than two decades and do not reflect the changing nature of the hospitality industry, especially the proliferation of online technologies that connect guests to transient lodging accommodations. The code needs to be updated to reflect both the changing accommodation types and how a guest reserves and pays for all short-term stay options.
3. Numerous housekeeping changes are required to the Transient Lodgings Tax code to modernize archaic language, use gender neutral terminology, capitalize defined terms and make other housekeeping corrections.
4. Some Operators have been confused by certain aspects of due dates and delinquency dates, and especially the timing of the delinquency date. Changing the due date to the last day of the month and the delinquency date to the first day of the month that follows will simplify these two concepts and help Operators make timely tax payments.
5. To assist with collecting unpaid Transient Lodgings Taxes, clarification around the Revenue Division's authority to make a "presumption" about the tax amount owed if an Operator fails to file required returns is needed.

NOW, THEREFORE, the Council directs:

- a. Portland City Code Chapter 6.04 is amended as provided in Exhibit A to this Ordinance.

Passed by the Council: **DEC 21 2016**

Mayor Hales

Mary Hull Caballero
Auditor of the City of Portland
By

Susan Parsons
DEPUTY

188170

Prepared by: T. Williams, T. Lannom
Date Prepared: November 15, 2016

Deputy

1403-1440 -

Agenda No.
ORDINANCE NO. 188170

Title

~~Amend Chapter 6.04 to~~ clarify definitions, administrative authority and make housekeeping changes to the Transient Lodgings Tax Code (Ordinance; amend Code Chapter 6.04)

INTRODUCED BY Commissioner/Auditor:	CLERK USE: DATE FILED <u>DEC 06 2016</u>
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland
Mayor—Finance and Administration - Hales	By: <u><i>[Signature]</i></u> <u>12-12-16</u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: Revenue & Financial Svcs Bureau Head: Ken Rust, CFO Fred Miller, CAO Revenue Division: Thomas Lannom	<u>DEC 14 2016</u> PASSED TO SECOND READING <u>DEC 21 2016 9:30 A.M.</u>
Prepared by: Terri Williams Date Prepared: 11/21/2016	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date 12/7/2016	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 30 min for both 6.04 and 6.05 amendments (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	—	
4. Novick	✓	
Hales	✓	