

IMPACT STATEMENT

Legislation title: Refer amendments to the City of Portland Charter, Chapter 7, Finance, to the May 16, 2017 Special Election Ballot. (Resolution)

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Purpose of proposed legislation and background information:

Charter Section 7-113 was enacted in the early 1970s when the only way to make a reservation at a lodging establishment was by phone or in person. Additionally, the types of lodging establishments at the time were hotels and motels. After 50 years, both the types of lodging establishments and how potential guests can make and pay for reservations has changed substantially. The City Council can exercise its legislative authority to administer the Transient Lodging Tax, and define Charter terms by passing ordinances to reflect the changing times, technology and lodging structures that are encompassed by the City's Transient Lodging Tax.

The proposed measure adds the following section to Charter Section 7-113:

3. In addition to any other authority granted under this Charter, the City Council shall have power and authority to provide for the administration of, and interpretation of the terms in, this Section 7-113 by ordinance as legislative action, as the Council may deem necessary and appropriate.

Financial and budgetary impacts:

This Charter amendment is necessary to ensure that the City is able to collect the appropriate amount of Transient Lodging Taxes from all entities that provide lodging occupancy for a period less than monthly, or accept reservations and payments for lodging occupancy less than monthly, within the City of Portland; this includes "sharing economy" short-term rentals. The Charter amendment is expected to increase (and preserve) City of Portland Housing Investment Fund revenues but there is no current estimate of how much this would be.

If passed, this would be the second proposed Charter amendment on the Special Election Ballot and will therefore add only incremental expenses since the majority of expenses for the measure are already budgeted in the Auditor's Office General Fund budget (e.g., already incurred fixed printing and distribution of ballots being a primary component of the expense). Estimated costs for the Special Election for both proposed amendments are not expected to exceed \$150,000. These costs would be evenly split between the City Auditor's budget and the Revenue Division's budget; both are General Fund expenditures so there is very little net impact to the General Fund (fiscal year 2017-2018 beginning balance will ultimately cover the total expense). The Revenue Division budget will likely need to be adjusted in the Spring BMP as resources are not currently available to cover this expenditure.

Community impacts and community involvement:

Additional Transient Lodging Tax revenues may become available to the Housing Investment Fund.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount