

IMPACT STATEMENT

Legislation title: Amend Business License Law Code related to the administration of the Residential Rental Registration Program and housekeeping changes (Ordinance; amend Code Chapter 7.02)

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Presenter name: Thomas Lannom

Purpose of proposed legislation and background information:

In July 2018, City Council passed ordinance 189086, creating the Residential Rental Registration Program. The program required all owners of residential rental units in the City to register those units with the Revenue Division beginning in tax year 2018. There was no registration fee for tax year 2018. In August 2019, City Council passed ordinance 189650, enacting a per unit registration fee, beginning in tax year 2019, as a part of the Residential Rental Registration Program.

To increase timely compliance and to enable efficient administration, the Residential Rental Registration Fee should be subject to late payment and late filing penalties and interest similar to the Business License Tax.

There has been some confusion about what a “Residential Rental Unit” is. Creating a definition of “Residential Rental Unit” will reduce taxpayer confusion in and increase compliance.

After a review of past participation, the determination was made that including the donation to the Arts Impact Fund (formerly known as Work for Art) on the City Business Income Tax Return as a refund offset was not cost-effective. In the future, the Revenue Division will prominently provide RACC donation information on the tax return, which is a more appropriate use of City and RACC resources.

Financial and budgetary impacts:

The proposed code changes would not have a material impact on City revenue or expenses.

Community impacts and community involvement:

The City heard from many taxpayers and tax preparers that additional clarity was needed in the Residential Rental Registration program. The addition of the definition of residential rental unit in PCC 7.02 should help provide this clarity.

The Regional Arts and Culture Council (RACC), the administrator of the Arts Impact Fund, was consulted and is aligned with the decision to remove the refund offset from the City tax return.

100% Renewable Goal:

The legislation has no direct impacts on this goal.

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

September 9, 2020 AM Council Meeting

Public Testimony

Item	First	Last	Zip
688	Edith	Gillis	97206