

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Terri Williams		2. Telephone No. 5-2469	3. Bureau/Office/Dept. Revenue
4a. To be filed (hearing date): File: July 14, 2011 Council Date: July 20, 2011	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 7/6/11
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Amend the Transient Lodgings Tax Law to clarify the time period for tax corrections to be made, tax enforcement to occur and to improve the administrative appeal process. (Ordinance; amend Code Chapter 6.04)

2) Purpose of the Proposed Legislation:

This ordinance amends five different subsections of the Transient Lodgings Tax Law to:

- A. Increase the City's ability to enforce its Code against persons who fails to comply.
- B. Improve and clarify the rules regarding the length of time that the Revenue Bureau has to make adjustments to transient lodgings tax returns and assess unpaid transient lodgings tax.
- C. Change the administrative appeal process to ensure that the persons hearing the appeal have the appropriate level of expertise and to provide detailed explanation of the appeal process.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

There is no change to the General Fund revenue from transient lodging taxes as a result of these changes.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

There are no immediate costs to the City as a result of these changes. However, in the event that a Hearings Officer needed to be hired to hear an appeal under this code, costs would be incurred at that time. Depending on the complexity of the appeal, the cost will vary and could be as little as \$1,000 for a simple case and could exceed \$30,000 in a complex case.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)* NO

- **Will positions be created or eliminated in future years as a result of this legislation?**
NO

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

These are technical changes to code language that do not impact the public. The code changes have been posted on the Bureau's website since July 1st.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. No future public involvement is anticipated in the future as these code changes are administrative in nature.

Thomas W. Lannom



BUREAU DIRECTOR (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Kenneth L Rust, Chief Administrative Officer

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Thomas W. Lannom, Director
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FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: June 29, 2011
TO: Mayor Sam Adams
FROM: Thomas W. Lannom, Revenue Bureau Director

RE: ORDINANCE TITLE Amend the Transient Lodgings Tax Law to clarify the time period for tax corrections to be made, tax enforcement to occur and to improve the administrative appeal process. (Ordinance; amend Code Chapter 6.04)

1. **INTENDED THURSDAY FILING DATE:** July 14, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** July 20, 2011
3. **CONTACT NAME & NUMBER:** Terri Williams x52469
4. **PLACE ON:** CONSENT REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** Y N N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Yes No N/A

7. BACKGROUND/ANALYSIS

The Revenue Bureau has discovered code sections that need to be updated. This ordinance amends five different subsections of the Transient Lodgings Tax Law to:

1. Increase the City's ability to enforce its Code against persons who willfully or fraudulently fail to comply.
2. Improve and clarify the rules regarding the length of time that the Revenue Bureau has to make adjustments to transient lodgings tax returns and assess unpaid transient lodgings tax.
3. Change the administrative appeal process to ensure that the persons hearing the appeal have the appropriate level of expertise and to provide detailed explanation of the appeal process.

8. FINANCIAL IMPACT

There is no financial impact to the General Fund.

9. RECOMMENDATION/ACTION REQUESTED

The Bureau respectfully requests that the ordinance be passed to allow code improvement and clarification.