

ATTACHMENT A

a. Current Code Section 6.04.090 is deleted and replaced with the following language:

6.04.090 Deficiency Determination; Fraud, Evasion, Operator Delay.

A. Deficiency determinations. If the Bureau determines that a return is incorrect, that required reports or returns have not been filed, or that an operator has otherwise failed to comply with the terms of the Code, it may compute and determine or estimate the amount required to be paid based on the facts contained in the return or returns or any other information reasonably within its possession. Once a deficiency determination is made, the amount is due and payable ten days after service of a deficiency notice from the Bureau. The Bureau may also determine and assess penalties and interest as set forth in Section 6.04.080.

1. In making a determination, the Bureau may offset overpayments, if any, which may have been previously made for a period or periods against any deficiency for a subsequent period or periods, or against penalties and interest on the deficiency.
2. The Bureau shall give to the operator or transient (in the case of a refund request) a written notice of its determination. The notice may be served personally or by mail. If by mail, the notice shall be addressed to the operator at his/her address as it appears on the records of the Bureau or as the Bureau can best determine if the operator has not provided that information to the Bureau. In case of service by mail or any notice required by this Chapter, the service is complete at the time of deposit with the United States Post Office.
3. Any deficiency is due and payable 10 days after the Bureau serves its written notice. The operator or transient (in the case of a refund request) may petition for a redetermination if the petition is filed within 10 days of service as provided in Section 6.04.100. Nothing prohibits the Bureau from extending the time for petition beyond 10 days at its discretion.
4. Except as provided herein, every deficiency determination shall be made and notice mailed within 3 years after a return was originally filed or subsequently amended, whichever period expires later. In the case of the filing of a false or fraudulent return with the intent to evade this Chapter, a failure to file a required return, or willful refusal to collect and remit the tax, a deficiency determination may be made, or a proceeding for the collection of such deficiency may be commenced, at any time.

B. Operator delay. If the Bureau believes that the collection of any tax or any amount of tax required to be collected and paid to the City will be jeopardized by delay, or if any determination will be jeopardized by delay, the Bureau may make a determination of the tax or amount of tax required to be collected, noting the fact upon the determination. The amount so determined as herein provided shall be immediately due and payable, and the operator shall immediately pay such determination to the Bureau after service of notice thereof; provided, however, the operator may petition, after payment has been made, for a redetermination of the Bureau's assessment, if the petition is filed within 10 days from the date of the written notice from the Bureau.

b. Current Code Subsection 6.04.100 E is deleted and replaced with the following language:

6.04.100 E. No petition for redetermination, redemption or refund or other appeal shall be accepted and no petition or appeal is effective for any purpose unless the operator has first complied with the payment provisions hereof and has paid in full the amount determined to be due by the decision appealed from.

c. Current Code Section 6.04.140 is deleted and replaced with the following language:

6.04.140 Business License Appeals Board; Hearings Officer; Appeal; Rules.

A. Except as provided herein, the Business License Appeals Board has authority to hear and determine appeals of orders or decisions of the Bureau or Bureau Director made upon petitions for redetermination of tax. The Board may affirm, modify, or reverse such orders or decisions or dismiss the appeals and prescribe such forms, rules, and regulations relating to appeals as it may deem necessary. In the review of the Bureau or Bureau Director's decision or order, the Board may take such evidence and make such investigation as it may deem necessary. It shall give notice of its determinations in the manner prescribed for service of a notice of the Bureau or Bureau Director's decision and shall file a copy of each such determination with the Bureau. Such determination shall become final after 10 days and any increase to the determination becomes due and payable once final, subject to interest and penalties, and enforceable by the Bureau in like manner as an order or decision of the Bureau or Bureau Director.

B. For an amount in controversy greater than \$10,000 and less than \$50,000, an appellant may request a hearing by an appointed Hearings Officer instead of a hearing by the Business License Appeals Board.

C. An appeal involving an amount in controversy greater than \$50,000 shall be heard by a Hearings Officer instead of a hearing by the Business License Appeals Board. The Hearings Officer shall be appointed by the City Attorney, shall be a member of the Oregon State Bar and shall not be a City employee.

D. In appeal hearings held before a Hearings Officer, the appellant and the City's representative shall each have the right to appear in person and be represented by legal counsel, to receive notice, to respond to and present evidence, to call and cross-examine witnesses under oath and to present argument on all issues involved. Subject to the provisions herein, the City Attorney may promulgate supplementary rules and procedures for the conduct of the hearing, the forms of notice and proceedings, and the preparation and submission of the record.

E. The record in a proceeding before the Hearings Officer shall include:

1. All pleadings, motions, and intermediate rulings;

2. Evidence received or considered;
 3. Stipulations;
 4. A statement of matters officially noticed;
 5. Questions and offers of proof, objections, and rulings thereon;
 6. Proposed findings and exceptions; and
 7. Any proposed, intermediate, or final order prepared by the Hearings Officer.
- F.** The Hearings Officer shall have the power to compel attendance of witnesses by deposition or at hearing and the production of documents by subpoena to any party upon showing of general relevance and subpoena in accordance with civil law.
- G.** The formal rules of evidence shall not apply and any relevant evidence that is the sort of evidence upon which reasonably prudent persons are accustomed to rely in the conduct of serious business affairs shall be admissible. Irrelevant, immaterial, or unduly repetitious evidence shall be excluded. Hearsay evidence may be considered by the Hearings Officer, but no findings may be based solely on hearsay evidence unless supported or corroborated by other relevant and competent evidence. The Hearings Officer shall give effect to the rules of privilege recognized by law.
- H.** The Hearings Officer may take notice of judicially recognizable facts, and the hearings Officer may take official notice of general, technical, or scientific facts within the specialized knowledge of City employees.
- I.** A verbatim, written, mechanical, or electronic record shall be made on all motions, rulings, and testimony if requested by any party. The record shall be transcribed for the purposes of court review. If the City prevails on such review, the reasonable costs of preparing the transcript shall be allowed as a part of the City's costs in such action.
- J.** The Hearings Officer is authorized to rule upon issues of law or fact and to determine the amount of the tax, penalty or interest due in accordance with the Transient Lodgings Tax Law. The Hearings Office shall not have any jurisdiction to waive, mitigate or suspend the collection of any tax, penalty or interest found to be duly imposed.
- K.** The decision of the Hearings Officer shall be issued in writing in a final order. The final order shall become final on the date specified in the order, which date shall be within 30 days after the conclusion of the hearing. The decision shall be the final administrative remedy of the appellant. Any amounts due shall be payable to the City Treasurer within 10 days of the order becoming final. The Hearings Officer shall notify the parties to a proceeding of a final order by delivering or mailing a copy of the order and any accompanying findings and conclusions to each party or, if applicable, the party's attorney of record.

d. Current City Code Section 6.04.150 is deleted and replaced with the following language:

6.04.150 Appeal to Business License Appeals Board, Hearings Officer.

Any operator or transient aggrieved by a decision of the Bureau Director made pursuant to Section 6.04.100 may appeal to the Business License Appeals Board or Hearings Officer as allowed in Section 6.04.140 by filing a notice of appeal with the Bureau Director within 10 days of the service of the notice of a Director's decision. Any hearing shall be scheduled by the Business License Appeals Board or Hearings Officer in accordance with rules pertaining to such appeals.

e. Portland City Code Section 6.04.160 is deleted.