



## BOARD OF COMMISSIONERS

# AGENDA REQUEST & STAFF REPORT

**MEETING DATE:** May 21, 2025

**SUBJECT:** Public Hearing and consideration of emergency adoption of Ordinance No. 2025-006 amending County Code regarding Transient Room Tax collections

**RECOMMENDED ACTIONS:**

Following the public hearing, 1) Move approval of first and second reading by title only of Ordinance No. 2025-006; and 2) Move to adopt Ordinance No. 2025-006 by emergency to take effect on September 1, 2025.

**BACKGROUND AND POLICY IMPLICATIONS:**

The Deschutes County Board of Commissioners conducted a work session on May 5, 2025 to consider amendments to County Code section 4.08 – Transient Room Tax. At that meeting, the Board approved scheduling a public hearing on the amendments.

Ordinance No. 2025-006 includes the proposed Code amendments in a redlined version document, with new language underlined and language to be deleted in ~~striketrough~~. A clean version is attached to this staff report for reference. An emergency adoption is requested so that the new code will take effect on September 1<sup>st</sup> instead of September 4<sup>th</sup>.

Most of the recommended changes are a result of modernizing and aligning with language used by the State of Oregon Transient Lodging Taxes Oregon Revised Statutes and the "Model Transient Lodging Tax Ordinance" document as written for local governments who use the Oregon Department of Revenue to administer, collect, enforce and distribute transient lodging taxes. The goal is to align local requirements with State requirements to assist lodging providers with reporting and tax submission by including the same revenue amounts in "Rent" to both taxing authorities.

In addition to renumbering, updating, and aligning the Code language, the following changes are also proposed:

1. Renaming Transient Rental Tax to Transient Lodging Tax (4.08.010)
2. Updating or Adding definitions for:
  - a. Adding: Short-Term Rental (4.08.071)
  - b. Adding: Short-Term Rental Hosting Platform (4.08.072)

- c. Adding: Short-Term Rental Hosting Platform Fees (4.08.073)
  - d. Updating: "Transient or Occupant" to "Occupant" (from 4.08.085 to 4.08.052)
  - e. Updating: "Hotel" to "Transient Lodging or Transient Lodging Facilities" (from 4.08.045 to 4.08.086)
  - f. Adding: Transient Lodging Provider (4.08.087)
  - g. Adding: Transient Lodging Intermediary (4.08.088)
- 3. Adding language for the County to administer a fee for the initial registration and the renewal of the annual Certificate of Authority. (4.08.140)
  - 4. The current Code already states in section 4.08.340 that violation of any provision of DCC Chapter 4.08 is a Class A Violation. Adding clarifying language in specific sections that the following shall be deemed a Class A Violation: (1) failure to register for a Certificate of Authority, (2) failure to complete the registration renewal, (3) failure to complete and submit the required monthly or quarterly reporting forms, (4) operating a short-term rental without a current Certificate of Authority, or (5) advertising properties without displaying the DCCA number in an advertisement.
  - 5. Updating the definition of a short-term rental from 30 days or less, to less than 30 days. Removing the 30<sup>th</sup> day aligns with the State and allows for reporting the same revenue numbers to the State and the County (for those rare cases when a stay reaches 30 days).
  - 6. Removing the exclusion of Recreation Fees from the definition of Rent as these fees are mandatory fees which are subject to tax, and for consistency with the State which doesn't allow an exemption for these mandatory fees (4.08.065).

**BUDGET IMPACTS:**

None currently.

**ATTENDANCE:**

Robert Tintle, Chief Financial Officer

Judi Hasse, Deputy Tax Collector

Michelle Assia, Transient Room Tax Management Analyst