

ORDINANCE NO. 2351

AN ORDINANCE AMENDING §112.04(A) OF THE HERMISTON MUNICIPAL CODE BY INCREASING THE TRANSIENT ROOM TAX TO NINE PERCENT AND AMENDING §112.13(A)(3) BY MODIFYING THE EXEMPTION FOR OWNER OCCUPIED RENTALS

WHEREAS, the City of Hermiston adopted a Transient Room Tax in 1991; and

WHEREAS, the City last set the Transient Room Tax at eight percent in 2003; and

WHEREAS, an increase to the Transient Room Tax to nine percent is proposed; and

WHEREAS, with the increase in owner occupied vacation rentals clarification to 112.13(A)(3) Exemptions is necessary; and

WHEREAS, the intent of this ordinance is to enhance the livability, including health and safety, for all community members as well as to protect the environment, community assets, and infrastructure of Hermiston; and

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

(New language is in red and underlined and repealed language has a line through it.)

Section 1. Subsection 112.04(A) of the Hermiston Municipal Code is amended as follows:

112.04 TAX IMPOSED.

(A) On and after April 1, ~~2003~~ 2024, a tax in the amount of ~~eight~~ nine percent is imposed on the rent charged for the sale, service or furnishing of transient lodging defined in this chapter for each day of occupancy, provided, however, the occupancies rented for seven consecutive days to the same individual or party shall pay a rate of two and one-half percent of the rent charged per night of occupancy up to the 30-day limitation of this chapter.

(B) On and after January 1, 2016, a tourism promotion assessment charge is imposed in the amount of \$2 per one room night rented in any hotel, provided, however, the occupancies rented for seven consecutive days to the same individual or party also shall pay the tourism promotion assessment charge of \$2 per night of occupancy up to the 30-day limitation of this chapter. This charge shall be reduced to \$1 per room night rented as of January 1, 2031.

(C) On and after January 1, 2016, a tourism promotion assessment charge is imposed in the amount of \$1 per one space night rented in any recreational vehicle park, provided, however, the space occupancies rented for seven consecutive days to the same individual or party also shall

pay a tourism promotion assessment charge of \$1 per night of occupancy up to the 30-day limitation of this chapter.

(D) The taxes and assessments imposed by subsections (A), (B) and (C) of this section constitute a debt owed by the transient to the city which is extinguished only by payment to the transient tax collector or to the city. The transient shall pay the taxes and assessments to the transient tax collector at the time the rent is paid. The transient tax collector shall enter the taxes and assessments on its records when rent is collected if the transient tax collector keeps its records on the cash accounting basis and when earned if the transient tax collector keeps its records on the accrual accounting basis.

(E) If rent is paid in installments, a proportionate share of the tax and charges shall be paid by the transient to the transient tax collector with each installment. If for any reason the tax due is not paid to the transient tax collector, the Finance Director/Recorder may require that the tax shall be paid directly to the city. In all cases, the rent paid or charged for occupancy shall exclude the sale of any goods, services and commodities, other than the furnishing of rooms, accommodations, and parking space in mobile home parks or trailer parks.

(F) Rates established herein shall not be increased for at least five years from January 1, 2016.

Section 2. Section 112.13(A)(3) of the Hermiston Municipal Code is amended as follows:

112.13 EXEMPTIONS.

(A) No tax imposed under this chapter shall be imposed upon:

(1) Any occupant for more than 30 successive calendar days. (A person who pays for lodging on a monthly basis, irrespective of the number of days in the month, shall not be deemed a transient.)

(2) Any occupant whose rent is of a value less than \$3 per day.

(3) Any person who rents a private house, vacation cabin, or like facility from any owner who rents the facilities incidentally to his own use thereof for seven (7) days or less within a calendar year and do not advertise space for rent.

(4) Any occupant whose rent is paid for a hospital room or to a medical clinic, convalescent home or home for aged people, to a public institution owned and operated by a unit of government, to a shelter home, halfway house or other rehabilitation facility.

(5) Federal employees and employees of federal instrumentalities (i.e., American Red Cross) on official business. (A member or employee of a nonprofit organization and employees of state and local governments of Oregon or any other state are required to pay any tax imposed under this chapter.)

(6) Persons with diplomatic immunity.

Section 3. All other provisions of the Hermiston Municipal Code remain unchanged and in full effect.

Section 4. The City Recorder is hereby authorized to correct any scrivener's errors and to conform the revisions to the Hermiston Municipal Code with appropriate numbering.

Section 5. Effective Date. This ordinance shall take effect on the 30th day after its adoption.

ADOPTED by the Common Council this 8th day of January 2024.

SIGNED by the Mayor this 8th day of January 2024.

Dr. David Drotzmann, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC City Recorder