

ORDINANCE BILL NO. 6 FOR 2025

ORDINANCE NO. 1335

**SWEET HOME ORDINANCE AMENDING SWEET HOME MUNICIPAL CODE CHAPTER 3.24
TRANSIENT LODGING TAX**

WHEREAS, a local transient lodging tax (“TLT”) is a tax imposed by the City of Sweet Home on the sale, service or furnishing of transient lodging;

WHEREAS, transient lodging includes hotel, motel, and inn dwelling units that are used for temporary overnight human occupancy; spaces used for parking recreational vehicles or erecting tents during periods of human occupancy; or houses, cabins, condominiums, apartment units or other dwelling units, or portions of any of these dwelling units, that are used for temporary human occupancy;

WHEREAS, the City of Sweet Home adopted Sweet Home Municipal Code Chapter (SHMC) 3.24 on June 26, 1990, implementing a six percent (6%) transient lodging tax;

WHEREAS, transient lodging tax collectors, as that term is used in ORS 320.300, are responsible for collecting and remitting the tax to the city; and

WHEREAS, in order to collect the transient lodging tax equally and fairly, updated terms and modifications to SHMC Chapter 3.24 are necessary.

NOW THEREFORE,

THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:

Section 1. SHMC 3.24.020 DEFINITIONS is amended to read:

3.24.020 DEFINITIONS

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter.

OCCUPANCY. The right to the use or possession of any space in transient lodging for dwelling, lodging or sleeping purposes for less than 30 days.

OCCUPANT. Any individual who exercises occupancy or is entitled to occupancy in transient lodging for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days.

PERSON. Any individual, firm, partnership, joint venture, limited liability company, limited liability partnership, association, social club, fraternal organization, fraternity, sorority, public or private dormitory, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

RENT. The consideration paid or payable by an occupant for the occupancy of space in transient lodging valued in money, goods, labor, credits, property or other consideration. If a separate fee

is charged for services, goods or commodities and the fee is optional, that fee is not included in rent.

SHORT-TERM RENTAL. A house, duplex, multi-plex, apartment, condominium, houseboat, trailer or other residential dwelling unit where a person rents guest bedrooms or the entire residential dwelling unit for transient lodging occupancy. Generally, a short-term rental is zoned residential or has a building occupancy that only allows for residential use.

SHORT-TERM RENTAL HOSTING PLATFORM. A business or other person that facilitates the retail sale of transient lodging by connecting occupants with transient lodging providers, either online or in any other manner. Short-term rental housing platforms are transient lodging intermediaries.

TAX ADMINISTRATOR. The Finance Director of the City of Sweet Home, or its designee, which may include the Oregon Department of Revenue. If the city utilizes the Oregon Department of Revenue as its tax administrator, it will comply with ORS 305.620 in that it will follow the rules adopted by the Department of Revenue regarding the administration, collection, enforcement, and distribution of transient lodging taxes.

TLT or TAX. The transient lodging tax.

TRANSIENT LODGING or TRANSIENT LODGING FACILITIES. Spaces used for overnight parking of recreational vehicles or placement of tents during periods of human occupancy;

- A. Hotel, motel, and inn dwelling units that are used for temporary overnight human occupancy; or
- B. Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any of these dwelling units that are used for temporary human occupancy.

TRANSIENT LODGING PROVIDER. A person that furnishes transient lodging.

TRANSIENT LODGING INTERMEDIARY. A person other than a transient lodging provider that facilitates the retail sale of transient lodging and:

- A. Charges for occupancy of the transient lodging;
- B. Collects the consideration charged for occupancy of the transient lodging; or
- C. Receives a fee or commission and requires the transient lodging provider to use a specified third-party entity to collect the consideration charged for occupancy of the transient lodging.

TRANSIENT LODGING TAX COLLECTOR. A Transient Lodging Provider or Transient Lodging Intermediary.

Section 2. SHMC 3.24.030 TAX IMPOSED is amended to read:

3.24.030 TAX IMPOSED

- A. Effective July 1, 1990, each occupant shall pay a tax (TLT) in the amount of 6% of the rent. The occupant shall pay the TLT with the rent to the Transient Lodging Tax Collector. TLT amounts shall be rounded down to the nearest cent. The Transient Lodging Tax Collector shall maintain records of all rent charged and TLT payments received. If rent is paid in installments, a proportionate share of the TLT shall be paid by the occupant to the Transient Lodging Tax Collector with each installment unless the occupant pays the entire amount with the first payment.
- B. Bills, receipts or invoices provided to occupants shall list the city TLT separately and must accurately state the amount of tax. All amounts listed as TLT on invoices, bills or receipts must be reported as TLT and, after collection, must be turned over to the city.

Section 3. SHMC 3.24.040 COLLECTION OF TAX BY LOCAL TAX TRUSTEE is amended to read:

3.24.040 COLLECTION OF TAX BY TRANSIENT LODGING TAX COLLECTOR

- A. Every Transient Lodging Tax Collector shall collect the TLT at the time rent is paid, unless an exemption applies. If payment is by credit card for purposes of this section payment is made at the time credit card information is provided to the Transient Lodging Tax Collector not when the Transient Lodging Tax Collector ultimately receives credit for the transaction. While holding the payment in trust for the city, a Transient Lodging Tax Collector may commingle the tax proceeds with the Transient Lodging Tax Collector's funds, but the Transient Lodging Tax Collector is not the owner of tax proceeds. Transient Lodging Tax Collectors may choose to file returns and remit payment based on amounts accrued but not collected. The Transient Lodging Tax Collector is liable for any TLT that should have been collected from the occupant, except in cases of nonpayment of rent by the occupant.
- B. Upon request of the city, Transient Lodging Tax Collectors must provide all physical addresses of transient lodging facilities within the city limits and the related contact information, including the name and mailing address, of the general manager, agent, owner, host or other responsible person for the location.

Section 4. SHMC 3.24.060 EXEMPTIONS is amended to read:

3.24.060 LIABILITY FOR TAX

Transient lodging providers who receive any portion of the rent for transient lodging and transient lodging intermediaries that provide booking service are both transient lodging tax collectors and are jointly and severally liable for the tax.

Section 5. SHMC 3.24.070 REGISTRATION OF OPERATOR—FORM AND CONTENTS—EXECUTIONS—CERTIFICATION OF AUTHORITY is amended to read:

3.24.070 EXEMPTIONS

No tax imposed under this chapter shall be imposed upon:

- A. A dwelling unit in a hospital, health care facility, long-term care facility or any other residential facility that is licensed, registered or certified by the Oregon Department of Human Services or the Oregon Health Authority;
- B. A dwelling unit in a facility providing treatment for drug or alcohol abuse or providing mental health treatment;
- C. A dwelling unit that is used by members of the general public for temporary human occupancy for fewer than 30 days per year;
- D. A dwelling unit, the consideration for which is funded through a contract with a government agency and the purpose of which is to provide emergency or temporary shelter;
- E. A dwelling unit at a nonprofit youth or church camp, nonprofit conference center or other nonprofit facility; or
- F. A dwelling unit that is leased or otherwise occupied by the same person for a consecutive period of 30 days or more during the year. The requirements of this subsection are satisfied even if the physical dwelling unit changes during the consecutive period, if:
 - 1. All dwelling units occupied are within the same facility; and
 - 2. The person paying consideration for the transient lodging is the same person throughout the consecutive period.

Section 6. SHMC 3.24.080 RETURNS AND REMITTANCES is amended to read:

3.24.080 REGISTRATION OF TRANSIENT LODGING PROVIDER, FORM AND CONTENTS, EXECUTIONS, CERTIFICATION OF AUTHORITY

- A. Every person engaging or about to engage in business as a Transient Lodging Provider in the City of Sweet Home shall provide a completed registration form to the Tax Administrator within 15 calendar days after commencing business. The registration form shall require the Transient Lodging Provider to provide the name of the business, any separate business addresses, and other information as the Tax Administrator may require to implement this Chapter. Transient Lodging Providers who own or operate Transient Lodging Facilities in the City of Sweet Home shall provide the address of the Lodging Facility. The registration form shall be signed by the Transient Lodging Provider. The Tax Administrator shall, within 15 days after registration, issue without charge a certificate of authority to collect the TLT. The Transient Lodging Provider's obligation to collect the TLT is imposed once rent for Transient Lodging is paid, even if the registration form has not been filed or if the certificate has not been issued. If the rent transaction is facilitated online, the certificate of authority must be able to be viewed by the occupant by clicking on a link to the certificate of authority at a reasonable place during the payment transaction.
- B. Certificates shall be non-assignable and nontransferable, and shall be surrendered to the Tax Administrator when the business is sold or transferred or when a Transient Lodging Facility ceases to operate at the location specified in the registration form. Each certificate issued to a Transient Lodging Provider for a specific lodging facility shall be prominently displayed at the lodging facility and includes:
 - 1. The name of the Transient Lodging Provider;
 - 2. The address of the Transient Lodging Facility;
 - 3. The date the certificate was issued; and
 - 4. The certificate number as assigned by the Tax Administrator.

Section 7. SHMC 3.24.090 PENALTIES AND INTEREST is amended to read:

3.24.090 REMITTANCES AND RETURNS

The tax imposed by this chapter shall be paid by the occupant to the operator at the time that rent is paid. The taxes collected by any operator are due and payable to the Tax Administrator as follows:

- A. Transient Lodging Tax Collectors must submit a completed tax return form to the Tax Administrator on or before the last day of the month following the end of each calendar quarter, reporting the amount of tax due during the quarter and accompanied by remittance of all tax collected. The return shall be filed in such form at the Tax Administrator may prescribe. The Tax Administrator if they deem it necessary in order to insure payment or facilitate collection by the City of the amount of taxes in any individual case, may require returns and payment of the amount of taxes on other than monthly periods.
- B. Remittances are delinquent if not made by the last day of the month in which they are due.
- C. Returns shall show the gross rents collected, taxable rents, and the total amount of TLT collected. Returns shall also show the exempt and excluded rents and the basis for exemptions and exclusions.
- D. The person required to file the return shall deliver the return, together with payment of the amount of the tax due, to the Tax Administrator, to the appropriate office, either by personal delivery, by mail, or by electronic tax return filed through a reporting and payment portal furnished by the Tax Administrator, or its designee. If the return and remittance is mailed, the postmark shall be considered the date of delivery.
- E. The Tax Administrator may extend the time for making any return or remittance of the tax by up to 30 days. No further extension shall be granted, except by the City Council. Any Transient Lodging Tax Collector to whom an extension is granted shall pay interest at the rate of 1% per month on the amount of the remittance due without proration for a fraction of a month. If a return is not filed, and the remittance and interest due is not paid by the end of the extension granted, then the interest shall become part of the tax for computation of penalties.

Section 8. SHMC 3.24.100 DEFICIENCY DETERMINATIONS--FRAUD--EVASION--LOCAL TAX TRUSTEE DELAY is amended to read:

3.24.100 PENALTIES AND INTEREST

- A. Interest shall be added to the overall tax amount due at the same rate established under O.R.S. 305.220 for each month, or fraction of a month, from the time the return to the Tax Administrator was originally required to be filed to the time of payment.
- B. If a Transient Lodging Tax Collector fails to file a return or pay the tax as required, a penalty shall be imposed in the same manner and amount provided under ORS 314.400.
- C. Every penalty imposed and any interest that accrues becomes a part of the financial obligation required to be paid and remitted to the Tax Administrator.
- D. Taxes, interest and penalties paid to the Tax Administrator under this section shall be distributed to the city's General Fund.

Section 9. SHMC 3.24.110 (RESERVED) is amended to read:

3.24.110 DEFICIENCY DETERMINATIONS—FRAUD, EVASION, TRANSIENT LODGING TAX COLLECTOR DELAY

- A. *Deficiency determination.* The Tax Administrator may review tax returns and adjust the amount due based on the information in the return, on information obtained during a review or audit of records, or on the basis of other evidence. In the event of a deficiency, the Tax Administrator shall provide notice of the deficiency to the Transient Lodging Tax Collector, who shall remit deficiencies within ten business days of the deficiency notice. Notice may be by personal delivery or certified or registered mail.
1. In reviewing and adjusting tax returns, the Tax Administrator shall offset any amount received in excess of the remittances due against any shortages in remittances.
 2. Except in the case of fraud or intent to evade TLT, notice of deficiency determinations shall be issued within three years of the period for which the deficiency determination is made.
 3. The time to remit deficient payment amounts under this section shall be extended if the Transient Lodging Tax Collector timely requests a redetermination.
- B. *Fraud, refusal to collect, evasion.* If any Transient Lodging Tax Collector fails to collect, report or remit the tax as required, submits a fraudulent return, or otherwise violates or attempts to violate this chapter, the Tax Administrator shall estimate the tax due, and calculate the amount owing from the Transient Lodging Tax Collector for tax remittance, interest and penalties and provide notice to the Transient Lodging Tax Collector of the assessment. The determination and notice shall be made and mailed within three years of the discovery by the Tax Administrator of the violation. The determination is due and payable upon receipt of notice and shall become final ten business days after the date notice was delivered if no petition for redetermination is filed.

Section 10. SHMC 3.24.120(1) is amended to read:

- A. Any person affected by a deficiency determination may file a petition for redetermination with the Tax Administrator within ten business days of service of notice of the tax deficiency. A determination becomes final if a petition for redetermination is not timely filed.

Section 11. SHMC 3.24.120(4) is amended to read:

- D. The decision of the Tax Administrator on redetermination becomes final and payment is due ten business days after the decision is mailed unless the petitioner files an appeal to the City Council within that time. The City Council's decision shall be final when reduced to writing and mailed to the petitioner and all amounts due must be paid within 10 business days of mailing of the City Council decision.

Section 12. SHMC 3.24.130 REFUNDS is amended to read:

3.24.130 COLLECTIONS

- A. The city may bring legal action to collect on any amounts owed to the city under this chapter within three years after remittance is due to the city or within three years after any determination becomes final.
- B. The city is entitled to collect reasonable attorneys' fee in any legal action brought to collect on amount owed to the city under this chapter.

Section 13. SHMC 3.24.140 ADMINISTRATION is amended to read:

3.24.140 LIENS

The city may record a lien in the city's lien docket against any real property owned by a transient lodging provider who receives any portion of the rent from a transient lodging facility located within the city as to any delinquent remittances by the transient lodging provider.

Section 14. SHMC 3.24.150 TRANSIENT OCCUPANCY TAX APPEAL BOARD--PROCEDURE is amended to read:

3.24.150 REFUNDS

- D. *Refunds by the City to the Transient Lodging Tax Collector.* If the Transient Lodging Tax Collector remits more tax, penalty, or interest than is due, the Transient Lodging Tax Collector may file a claim in writing stating the facts relating to the claim, within three years from the date of remittance. If the claim is approved by the Tax Administrator, the excess amount shall be either refunded or credited on any amount due from the Transient Lodging Tax Collector.
- E. *Refunds by City to Occupant.* A Transient Lodging Tax Collector may file a claim for refund by filing a claim in writing within three years of payment providing the facts relating to the claim for refund. If the Tax Administrator determines that the tax was collected and remitted to the city and the occupant was not required to pay the tax or overpaid, the City shall issue a refund.
- F. *Refunds by the Transient Lodging Tax Collector to occupants.* If an occupant has paid tax to a Transient Lodging Tax Collector, but then stays a total of 30 or more consecutive days, the Transient Lodging Tax Collector shall refund to the occupant any tax collected for any portion of the continuous stay. The Transient Lodging Tax Collector shall account for the collection and refund to the Tax Administrator. If the Transient Lodging Tax Collector has remitted the tax prior to the refund or credit to the occupant, the Transient Lodging Tax Collector shall be entitled to a corresponding refund or offset if the claim for refund is filed within three years from the date of collection.
- G. *Burden of proof.* The person claiming the refund shall have the burden of proving the facts that established the basis for the refund.

Section 15. SHMC 3.24.160 REMEDIES, COLLECTIONS, AND LIENS is amended to read:

3.24.160 ADMINISTRATION

- A. *Records required from Transient Lodging Tax Collectors.* Every Transient Lodging Tax Collector shall keep records of each transaction involving rent and/or collection of TLT. All records shall be retained by the Transient Lodging Tax Collector for a period of at least three years and six months after they come into being.
- B. *Examination of records—investigations.* The Tax Administrator or agent may examine all records of a Transient Lodging Tax Collector relating to receipt of rent and TLT and remittance of tax during normal business hours and may obtain copies of the records to audit returns.
- C. *Authority of Tax Administrator.* The Tax Administrator shall have the power to enforce this chapter, conduct audits, and to adopt rules, regulations and forms consistent with this chapter. Rules and regulations of general application shall be mailed to all registered Transient Lodging Providers. The Tax Administrator may also issue written interpretations on request of a Transient Lodging Tax Collector. As to the Transient Lodging Tax Collector to whom the interpretation is issued, the City will act consistently with the interpretation until it is withdrawn, and the city shall provide 30 days' written notice of withdrawal of an interpretation.
- D. *Confidential character of information obtained—disclosure unlawful.* The city shall maintain the confidentiality of information provided by Transient Lodging Tax Collectors. Nothing in this subsection shall be construed to prevent:
 - 1. The disclosure to, or the examination of records and equipment by, another city official, employee or agent for collection of taxes for the purpose of administering or enforcing any provisions of this chapter or collecting city business license fees.
 - 2. Disclosure of information to the Transient Lodging Tax Collector and the Transient Lodging Tax Collector's agents.
 - 3. The disclosure of the names and addresses of any persons to whom certificates of authority have been issued.
 - 4. The disclosure of general statistics regarding taxes collected or business done in the city.
 - 5. Disclosures required by O.R.S. Chapter 192.
 - 6. Disclosures required by O.R.S. Chapter 297.

Section 16. SHMC 3.24.170 VIOLATION is amended to read:

3.24.170 APPEALS TO CITY COUNCIL

Any person aggrieved by any decision of the tax administrator may appeal to the City Council by filing a written appeal with the tax administrator within 10 business days of the serving or mailing of the decision being appealed. The City Manager shall schedule the hearing on a City Council agenda and provide the appellant notice of the hearing at least 10 business days before the hearing. The City Council may agree to a compromise of the amount of tax remittance if there is a good faith dispute over the amount owing. Any person may appeal the issuance of a rule or regulation issued by the tax administrator to the City Council by filing a written appeal within 10 business days of the mailing of the notice of the regulation.

Section 17. SHMC 3.24.180 APPEALS TO CITY COUNCIL is amended to read:

3.24.180 PENALTY

A violation of this chapter is a Class A civil infraction. Each day that violation remains uncured is a separate infraction. Violation of this chapter also constitutes a violation and may be prosecuted under the provisions of Chapter 9.36 and any amendments thereto. Each day that a violation remains uncured is a separate offense.

Section 18. This Ordinance shall take effect on the thirtieth day after its passage.

PASSED by the Council and approved by the Mayor this 24th day of June, 2025; and effective the 24th day of July, 2025.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder