

A BILL FOR AN ORDINANCE AMENDING)
SECTION 3.12.030 - TAX IMPOSED, OF THE)
LEBANON MUNICIPAL CODE)

ORDINANCE BILL NO. 11
for 2007
ORDINANCE NO. 2739

WHEREAS, the City Council for the City of Lebanon finds that it is in the public interest to encourage and support tourism for the city; and

WHEREAS, the City Council further finds that an increase of the transient room tax can and will provide such financial support; and

WHEREAS, the City Council finds that the transient room tax currently in effect of six percent of the total rent charges was in existence prior to July 1, 2003 and that, therefore, this proposed increase in the transient room tax from six percent to nine percent shall be used to fund tourism promotion within the City of Lebanon and is therefore in compliance with the restrictions of Oregon law contained in Oregon Revised Statutes 320.350 (5); and

WHEREAS, at least 70 percent of the net revenue of this increase in the transient room tax shall be used to fund tourism for the City of Lebanon;

NOW, THEREFORE, IT IS ORDAINED BY THE CITY OF LEBANON AS FOLLOWS:

SECTION 1. Lebanon Municipal Code Section 3.12.030 is hereby amended to read as follows:

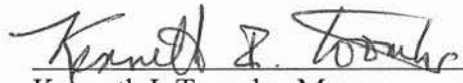
Tax Imposed. A transient shall pay a tax in the amount of nine percent (9%) of the total rent charged by the operator, exclusive of this tax, for the privilege of occupancy in a hotel in the city or occupancy of a space in a recreational park. Hereafter, unless otherwise specified, references to "hotel" and "rooms" includes "recreation parks" and "spaces," respectively. The tax constitutes a debt owed by the transient to the city, and the debt is extinguished only when the tax is remitted by the operator to the city. The transient shall pay the tax to the operator at the time rent is paid. The operator shall enter the tax into the record when rent is collected if the operator keeps records on the cash accounting basis and when earned if the operator keeps records on the accrual accounting basis. If the rent is paid in installments, a proportionate share of the tax shall be paid by the transient to the operator with each installment. In all cases, rent paid or charged for occupancy shall include the sale of goods, services or commodities.

SECTION 2. There is hereby added a subsection to the Lebanon Municipal Code, 3.12.035, Use of Increases in Transient Room Tax, which shall read as follows:

Use of Increases in Transient Room Tax. Prior to July 1, 2003, the Lebanon City Council set the transient room tax to be imposed at the amount of six percent (6%) of the total rent charged by the operator, exclusive of the tax imposed, for the privilege of occupancy in a hotel in the city or occupancy of a space in a recreational park. Any increases in the transient room tax from the tax in effect on July 1, 2003 shall be subject to the following restrictions:

- A. All of the net revenue from the increased tax, following reductions attributed to collection reimbursement charges, shall be used consistently with subsection (B) of this section to:
1. Fund tourism promotion or tourism-related facilities;
 2. Fund city services; or
 3. Finance or refinance the debt of tourism-related facilities and pay reasonable administrative costs incurred in financing or refinancing that debt, provided that:
 - a. the net revenue may be used for administrative costs only if the city provides a collection reimbursement charge as allowed by Oregon law; and
 - b. upon retirement of the debt, the city reduces the tax by the amount by which the tax was increased to finance or refinance the debt.
- B. At least 70 percent (70%) of the net revenue from an increased transient lodging tax imposed by the City shall be used for the purposes of subsection (A)(1) of this subsection. No more than 30 percent (30%) of net revenue from an increased transient tax may be used for the purpose described in subsection (A)(2) of this section.

PASSED by the Lebanon City Council by a vote of 5 for and 0 against this 27th day of June, 2007.


Kenneth I. Toombs, Mayor

ATTESTED:


Linda Kaser, City Clerk/Recorder