

CITY OF NEWPORT

ORDINANCE NO. 2183

AN ORDINANCE AMENDING CHAPTER 3.05 OF THE NEWPORT MUNICIPAL CODE INCREASING THE TRANSIENT ROOM TAX RATE

WHEREAS, over the past three years, the City Council has tasked the Finance Work Groups with developing a system for projecting the city's long-range financial condition; identifying options to address the structural deficit in the General Fund by reducing expenditures and/or increasing revenues; and developing a five-year financial plan for the city that achieves financial sustainability during this period; and

WHEREAS, the Finance Work Group recommended that the City Council consider increasing the transient room tax, beginning with the fiscal year that starts on July 1, 2021, from the current 9.5% rate to 12% to fund both tourism promotion and facilities that provide services to visitors, as well as additional support to the General Fund for public safety, general government, and other activities; and

WHEREAS, on April 19, 2021, the City Council scheduled a public hearing for May 17, 2021, to take public comment on a potential increase of the transient room tax rate to 12% of the room rent. The current transient room tax rate is 9.5% for hotels, motels, vacation rentals, and campgrounds. Notices of the public hearing were sent to lodging facilities in the City of Newport; and

WHEREAS, on May 17, 2021, the City Council held a public hearing, took public comment, and continued the public hearing to June 7, 2021, with a proposed ordinance to be considered by the City Council at that time; and

WHEREAS, on June 7, 2021, the City Council continued the public hearing from May 17, 2021, took public comment, and considered a proposed ordinance to increase the transient room tax rate to 12% of the room rent, with at least 70% of revenue from the 2.5% rate increase to fund tourism promotion and facilities, as required under state law.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. The above findings are adopted in support of amendments below to Chapter 3.05 of the Newport Municipal Code.

Section 2. Section 3.05.020 is hereby amended to read as follows (deleted language shown in ~~strikethrough~~ and language to be added depicted with underline):

Each occupant shall pay a tax in the amount of ~~nine and one-half~~ twelve (12) percent of the rent charged by the operator. The occupant shall pay the tax to the operator of the hotel at the time the rent is paid. The operator shall maintain records of all tax payments by occupants as soon as they are made. If rent is paid in installments, a proportionate share of the tax shall be paid by the occupant to the operator with each installment.

Section 3. Subsection 3.05.150(A)(1) is hereby amended to read as follows (language

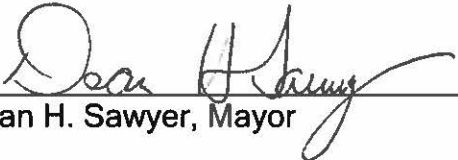
to be added depicted with underline):

At least 46% of the room tax revenue from a tax of 9.5% of the rent charged, and at least 70% of the room tax revenue from a tax of 2.5% of the rent charged, shall be used for tourism promotion and tourism related facilities. The city may accumulate funds dedicated to tourism promotion and tourism related facilities and such funds will be considered to be used for tourism promotion and tourism related facilities. The City Council shall have the authority to determine which facilities are tourism related. The City Council may determine that some facilities are in part tourism related facilities, and funds reserved for tourism related facilities may be used to cover an equivalent proportion of the cost of such facilities.

Section 4. This ordinance shall be effective 30 days after adoption by the City Council.

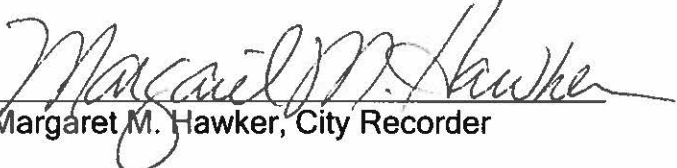
Date adopted by the Newport City Council: June 7, 2021.

Signed by the Mayor on June 8, 2021.



Dean H. Sawyer, Mayor

ATTEST:



Margaret M. Hawker, City Recorder