



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

CONSENT
March 19, 2013

Honorable Members of the
Law and Legislation Committee

Title: Ordinance Amendment: Elimination of Uniform Transient Occupancy Tax (TOT)
Registration Requirement

Location/Council District: All

Recommendation: Review an ordinance repealing Section 3.28.080 of the Sacramento City Code relating to hotel registration, and forward a recommendation for approval of the ordinance to City Council. Section 3.28.080 is provided in Attachment A to this report.

Contact: Brad Wasson, Revenue Manager, (916) 808-5844

Presenters: None

Department: Finance

Division: Revenue

Dept. ID: 06001211

Description/Analysis

Issue: The current City Code on TOT, Section 3.28.080, contains a provision requiring the operator of any hotel renting occupancy to transients to register the hotel with the Revenue Division within thirty (30) days after commencing business and obtain a "transient occupancy registration certificate." Concurrently, current City Code Sections 3.08.060 and 3.08.200B on the business operation tax (BOT), require that every person engaged in the business of renting out accommodations on a transient occupancy basis pay an annual BOT and obtain a "business operations tax certificate." Requiring separate applications and issuing separate certificates is redundant and inefficient. As such, staff recommends that City Code Section 3.28.080 requiring the duplicate registration of hotels be deleted from the code.

Policy Considerations: Promoting efficiency in government and reducing unnecessary requirements for business will aid in the streamlining of the registration process and save time and expense for both parties.

Economic Impacts: None.

Environmental Considerations: Under the CEQA guidelines, continuing administrative activities do not constitute a “project” as defined in Section 15378 of the CEQA Guidelines and are therefore exempt from review.

Sustainability Considerations: None.

Commission/Committee Action: The recommendation to pursue this change is the result of the work of the City Auditor as directed and approved by the Audit Committee.

Rationale for Recommendation: Elimination of the TOT registration will eliminate an unnecessary redundancy as both applications require the applicant to provide the same information, resulting in the issuance of similar certificates, and neither constitutes a permit. Both registrations are for administrative purposes only.

Financial Considerations: No loss of revenue is anticipated, as the issuance of the TOT certificate is not a revenue generating transaction. The certificate is merely for registration purposes. Lodging establishments are separately required to submit monthly TOT statements along with payment of the actual tax.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Submitted by: Brad Wasson

Brad Wasson
Revenue Manager

Approved by: Leyne Milstein
Leyne Milstein
Director of Finance

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Attachment:

Attachment A - Language of Section 3.28.080

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3.28.080 Registration.

Within sixty (60) days after the effective date of this chapter, or within thirty (30) days after commencing business, whichever is later, each operator of any hotel renting occupancy to transients shall register such hotel with the assessor-collector and obtain from him or her a “transient occupancy registration certificate” to be at all times posted in a conspicuous place on the premises. Such certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel;
- C. The date upon which the certificate was issued;
- D. “This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Uniform Transient Occupancy Tax by registering with the assessor-collector for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the assessor-collector. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, nor to operate a hotel without strictly complying with all local applicable laws, including, but not limited to, those requiring a permit from any board, commission, department or office of this city. This certificate does not constitute a permit.”

(Prior code § 41.04.026)