

BEFORE THE COMMON COUNCIL OF CANNON BEACH

AN ORDINANCE AMENDING THE MUNICIPAL)
CODE CHAPTER 3.12 TRANSIENT ROOM TAX)
ORDINANCE NO. 23-06)

WHEREAS, the Cannon Beach Municipal Code Chapter 3.12 creates and implements a local transient room (lodging) tax in accordance with Oregon Revised Statute 320.300 to 320.350; and

WHEREAS, the City of Cannon Beach as one of the lowest lodging tax rates of any of its neighboring north Oregon coast jurisdictions, with a rate of 8%, compared to an average of 9.86%; and

WHEREAS, the Cannon Beach City Council desires to increase the tax rate from 8% to 9.5%; and

WHEREAS, the increase is anticipated to generate \$1,031,875 in revenue; and

WHEREAS, ORS chapter 320 specifies that no less than 70% of the 1.5% percentage point increase must be dedicated to tourism promotion and tourist related facilities; and

WHEREAS, the City of Cannon Beach anticipates using the additional funds to pay for debt service on the Cannon Beach Elementary School Rejuvenation project and to assist with funding city-programs that qualify as under ORS chapter 320 that are currently funded by the City's general fund revenues, including maintaining the City's public restrooms near the beach which are used primarily by tourists, and aspects of the Haystack Rock Awareness Program.

NOW, THEREFORE, THE COMMON COUNCIL OF THE CITY OF CANNON BEACH ORDAINS AS FOLLOWS:

1. The Cannon Beach City Council amends Chapter 3.12.020 of the Cannon Beach Municipal Code as follows:

A. As of ~~October 1, 2015~~ January 1, 2024, a transient shall pay a tax in the amount of nine and a half percent (9.5%) ~~eight percent~~ for the privilege of occupancy in a hotel in the city. 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 local tax trustee to the city. The transient shall pay the tax to the local tax trustee at the time rent is paid. The local tax trustee shall enter the tax into the record when rent is collected if the local tax trustee 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 local tax trustee with each installment.

B. Such tax increase shall not apply to reservations for lodging in the city of Cannon Beach made prior to the passage adoption of the ordinance codified in this section. Reservations made prior to the passage adoption of the ordinance codified in this section by the city council are exempt from the one percent and a half percentage point lodging tax increase; however, such tax increase shall apply to all reservations made after the date of passage adoption of the ordinance codified in this section.

C. Pursuant to ORS 320.350, seventy percent of the net proceeds from the ~~additional~~ one percent and a half percentage point lodging tax increase shall be used for the purposes described in ORS 320.350(5)(a) or (c) which states that such funds shall be used for tourism promotion or tourism related facilities. Pursuant to ORS 320.350(5)(a)(6), thirty percent of the net proceeds from the increased lodging tax may be used by the city for funding city services.

2. This ordinance is effective 30 days after adoption.

3. The current tax of eight percent shall remain in effect until December 31, 2023.

ADOPTED by the Common Council of the City of Cannon Beach this 11th day of July, 2023, by the following roll call vote:

YEAS: Councilors McCarthy, Ogilvie, Kerr, Hayes and Mayor Knop

NAYS: None

EXCUSED: None



Barbara Knop, Mayor

Attest:



Bruce St. Denis, City Manager

Approved as to Form:



Ashley Driscoll, City Attorney