

ORDINANCE NO. 3626

AN ORDINANCE REPEALING OXFORD CODIFIED ORDINANCE CHAPTER 183, ENTITLED "HOTEL AND CONVENTION TAX," AND ADOPTING NEW OXFORD CODIFIED ORDINANCE CHAPTER 183, ENTITLED "HOTEL, SHORT-TERM RENTAL AND CONVENTION TAX".

WHEREAS, Chapter 5739 of the Ohio Revised Code grants municipal corporations the authority to levy lodging excise taxes; and

WHEREAS, the City of Oxford, Ohio enacted Oxford Codified Ordinance Chapter 183, entitled "Hotel and Convention Tax," to implement a lodging excise tax on persons engaged in the business of owning, operating, or managing a hotel equal to three percent (3.00%) of the transactions by which hotel accommodations are furnished to transient guests; and

WHEREAS, Oxford Codified Ordinance Chapter 183, entitled "Hotel and Convention Tax," implements a lodging excise tax on "hotels," which are defined as places where sleeping accommodations are offered to guests in which five or more rooms are used for the accommodation of such guests; and

WHEREAS, Ohio Revised Code Section 5739.01(M) defines "hotel" as "every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered to guests, in which five or more rooms are used for the accommodations of such guests, whether the rooms are in one or several structures ..."; and

WHEREAS, Ohio Revised Code Section 5739.091, allows municipal corporations to define "hotel" to include "establishments in which fewer than five rooms are used for the accommodations of guests" for the purpose of levying a lodging excise tax; and

WHEREAS, City Council has determined that it wishes to levy a lodging excise tax in the amount of three percent (3.00%) on establishments at which fewer than five rooms are used for the accommodation of guests, defined as "short-term rentals"; and

WHEREAS, City Council has determined that it would be in the best interest of the City of Oxford, Ohio to repeal Chapter 183 and enact a new Chapter 183 entitled "Hotel, Short-Term Rental and Convention Tax" of the Codified Ordinances of the City of Oxford, Ohio in order to levy a lodging excise tax of 3.00% on hotels and short-term rentals, in order to provide additional funds to the City.

THE COUNCIL OF THE CITY OF OXFORD, OHIO, HEREBY ORDAINS THAT:

SECTION 1: Chapter 183 of the Codified Ordinances of the City of Oxford, Ohio, entitled "Hotel and Convention Tax," regulates the City of Oxford's ability to levy a lodging excise tax equal to three percent (3.00%) on persons engaged in the business of owning, operating, or managing a hotel, defined as an establishment where sleeping accommodations are offered to guests in which five or more rooms are used for the accommodation of guests.

SECTION 2: City Council wishes to amend Chapter 183 to allow for the levy of a lodging excise tax equal to three percent (3.00%) to include establishments at which fewer than five rooms are used for the accommodation of guests, which shall be defined as “short-term rentals.”

SECTION 3: Current Chapter 183 of the Codified Ordinances of the City of Oxford, Ohio, entitled “Hotel and Convention Tax,” is hereby repealed and new Chapter 183 is adopted to read as set forth in Exhibit A, which is attached hereto and incorporated herein.

SECTION 4: This ordinance shall take effect at the earliest time allowed by law.


MAYOR

ADOPTED: August 3, 2021

ATTEST:

CLERK OF OXFORD CITY COUNCIL

INTRODUCED BY: MICHAEL SMITH

PREPARED BY: LAW (STAFF)

Exhibit A

CHAPTER 183 HOTEL, **SHORT-TERM RENTAL** AND CONVENTION TAX

183.01 DEFINITIONS.

For the purpose of this chapter the following definitions for certain terms or words used herein shall be used in the interpretation of the provisions of this chapter. Words used in the present tense shall include the future tense, the singular number shall include the plural and the plural shall include the singular. The word "shall" or "will" is mandatory and the word "may" is permissive. Any other words used and not defined herein shall be construed as having the commonly-accepted meaning defined in a standard dictionary.

(a) "Guests" means persons occupying a room or rooms for sleeping accommodations for less than thirty consecutive days.

(b) "Hotel" means every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered to guests in which five or more rooms are used for the accommodation of such guests, whether such rooms are in one or several structures.

(c) "Person" includes individuals, receivers, assignees, trustees in bankruptcy, estates, firms, partnerships, associations, joint-stock companies, joint ventures, clubs, societies, corporations and combinations of individuals in any form.

(d) "Transient guests" means the same as guests defined herein.

(e) **"Short-term rental" means any establishment offering at least one but less than five rooms for the accommodation of guests, which is rented for a fee for less than thirty (30) consecutive days, whether such rooms are in one or several structures.**

183.02 AMOUNT OF CONVENTION TAX.

Every person engaged in the business of owning, operating or managing a hotel **or short-term rental** as defined in this chapter shall pay to the City an excise tax equal to three percent (3%) of the transactions by which hotel **or short-term rental** accommodations are furnished to transient guests.

183.03 DISPOSITION OF CONVENTION TAX FUNDS.

(a) Calculation of Disposition of Funds:

(1) The Finance Director shall prepare a yearly estimate, used in the preparation of the annual budget, of three percent (3%) convention tax funds to be received by the City pursuant to Oxford Codified Ordinance Section 183.02.

(2) The City shall distribute 100% of the convention tax funds received in a calendar year to Enjoy Oxford.

(b) Council may authorize the City Manager to enter into a written contract, on behalf of the City, with one or more convention and visitors' bureaus operating within Butler County, Ohio, that provides for the City's contribution of funds to such bureaus subject to the conditions contained within the contract.

(c) All interest earned on the convention tax funds collected pursuant to Section 183.02 shall be retained by the City and deposited in the general fund.

(d) Notwithstanding any other provision of this section, the City shall fully comply with the minimum State of Ohio convention tax requirements.

183.04 AMOUNT OF HOTEL AND SHORT-TERM RENTAL TAX.

(a) Every person engaged in the business of owning, operating, or managing a hotel **or short-term rental** as defined in this chapter shall pay to the City a tax equal to three percent (3%) of the transactions by which hotel **or short-term rental** accommodations are furnished to transient guests.

(b) The tax imposed in this section shall be in addition to the tax imposed in Section 183.02 (Convention Tax).

183.05 DISPOSITION OF HOTEL AND SHORT-TERM RENTAL TAX FUNDS.

All of the hotel tax funds received from hotels by the City pursuant to Section 183.04 shall be deposited in the **City's General Fund. The 3% hotel tax funds received from short-term rentals shall be deposited in the City's Housing Trust Fund.**

183.06 REPORTS REQUIRED.

The owner, operator or manager of a hotel **or short-term rental** shall make true and accurate reports to the Finance Director on forms prescribed by the Finance Director, giving such information as may be necessary to determine the amounts to which the tax applies for all gross daily rental receipts for each one-month period.

183.07 PAYMENT BY GUESTS.

The taxes imposed hereby shall be collected by the owner, operator or manager of the hotel **or short-term rental** from the paying guests and shown as a tax charge on the bill for occupancy of the rooms. The owner, operator or manager is liable to the City for such taxes whether or not they are actually collected from the paying guest. Such taxes shall be paid to the Finance Department of the City of Oxford on or before the fifteenth day of the month following the month in which the taxes accrued and the report required by Section 183.06 hereof shall accompany such payment.

183.08 EXAMINATION OF BOOKS, RECORDS AND AUDITING PROCEDURES.

(a) The Finance Director or authorized representative shall have the right at all reasonable times during business hours to make such examinations and inspections of books and records of the hotel **or short-term rental** as may be necessary to determine the correctness of the required reports and the taxes paid. The right of the Finance Director or authorized representative to inspect, audit and make copies of books and records of the hotel **or short-term rental** shall include, but not be limited to, the following: books of accounts, daily cash receipt records and hotel **or short-term rental** registration forms.

(b) The Finance Director shall further have the right to order a special purpose audit of the hotel **or short-term rental** books and records upon determining there exists the lesser of a three percent (3%) or one hundred dollars (\$100.00) underpayment of the hotel **or short-term rental** tax. The cost of the special purpose audit shall be assessed and paid for by the hotel **or short-term rental**. Any deficiency in payment shall be deemed a nonpayment and shall be immediately paid by the hotel **or short-term rental** and shall further be subject to penalty for nonpayment as provided in Section 183.10.

183.09 UNLAWFUL TO PROHIBIT INSPECTION.

It shall be unlawful for any hotel **or short-term rental** through its owner, operator or manager to prohibit or hinder the Finance Director or authorized representative from making any examination or audit as authorized by Section 183.08 hereof.

183.10 PENALTY FOR NONPAYMENT.

For each and every month, or part thereof, any tax provided for under this Chapter shall remain unpaid after the fifteenth or next business day of the month during which the same becomes payable, there shall be added to such tax as a penalty ten percent (10%) of the amount of such tax for the first month, or part thereof, that the amount is unpaid, and for each and every month thereafter one percent (1%) of the amount of such tax shall be added until the same is paid in full. In no case shall the total penalty provided herein exceed one hundred percent (100%) of the tax due and these penalties shall not preclude criminal prosecution for violation of this Chapter. Criminal prosecution for violation of any of the provisions of this chapter shall not release or discharge the owner, operator or manager of a hotel **or short-term rental** from civil liability for full payment of any and all tax or penalties due.

183.11 ADDITIONAL RULES AND REGULATIONS.

The Finance Director is authorized to issue and promulgate additional written rules and regulations to assist in the administration and enforcement of this chapter and comply with the same provided that they have received written copies thereof at least thirty days prior to the effective date of such rules and regulations.

183.12 DETERMINATION OF CONTRIBUTIONS.

Council shall have the sole power, authority and discretion to determine the extent and nature of contributions to convention and visitors bureaus and to determine which convention and visitors bureaus shall receive contributions and these determinations shall thereafter be administered by and through the City Manager and the Finance Director. The City may elect to maintain and operate a convention and visitors bureau as part of City government. The tax funds so collected in Section 183.04 shall be placed in the General Fund.

183.13 EXEMPTION.

(a) The owner, operator or manager of a hotel **or short-term rental** shall be exempt from collections of the taxes imposed by this Chapter, provided the payor of the hotel room charge **or short-term rental room charge** is an exempt organization under Section 501(C) of the Internal Revenue Code and the payor provides proof of exemption by providing either an IRS ruling or determination letter under Internal Revenue Regulation Section 1.508-1(a)(4), proof of exemption as a subordinate organization exempted under a group exemption notice of the parent organization as provided by Internal Revenue Regulation Section 1.508-1(a)(3), or a letter from an authorized official of the payor which attests to the organization's exempt status under Internal Revenue Regulation Section 1.508-1(a)(4).

(b) The owner, operator or manager of a hotel **or short-term rental** shall make true and accurate reports to the Finance Director on forms prescribed by the Finance Director providing proof of exemption and such other information as requested by the Finance Director for each one month period.