

## ORDINANCE NO. 2218

### **AN ORDINANCE AMENDING BEND CODE SECTIONS 12.05.015A AND 12.05.080A TO INCREASE THE ROOM TAX RATE TO 10 PERCENT EFFECTIVE JUNE 1, 2014, AND THEN TO 10.4 PERCENT EFFECTIVE JUNE 1, 2015, AND TO PROVIDE DIRECTION ON USE OF A PORTION OF THE INCREASED REVENUE**

#### Findings:

- A. The tourism industry contributes over half a billion dollars annually to Central Oregon's economy and is a leading employer in the region.
- B. Over two million tourists visit Bend annually; using city streets, water, sewer, police and fire services, and other city services.
- C. Guests who pay for short-term lodging at a Bend hotel, motel, or other lodging facility pay a city lodging tax of 9%.
- D. Bend's current lodging tax rate of 9% is below that of some other similar cities and tourism destinations.
- E. The voters have approved an increase in Bend's lodging tax rate from 9% to 10% effective June 1, 2014, and then to 10.4% effective June 1, 2015. This ordinance implements the increase.
- F. State law dictates that 70% of the incremental lodging tax revenue be allocated to the promotion of tourism. The remaining 30% of the incremental lodging tax revenue will be allocated for police and fire services.

Based on these findings, the City of Bend ordains as follows:

Section 1. Bend Code Section 12.05.015A is amended to read as follows:

A. Effective June 1, 2014, each occupant shall pay a tax in the amount of 10% of the rent. Effective June 1, 2015, each occupant shall pay a tax in the amount of 10.4% of the rent. The occupant shall pay the room tax with the rent payment. Tax amounts shall be rounded down to the nearest cent. The operator shall maintain records of all rent charged and room tax payments received. The amount of the room tax shall be stated separately from rent or any other charges on all receipts or invoices issued by the Operator. If rent is paid in installments a proportionate share of the room tax shall be paid by the occupant to the operator with each installment unless the operator pays the entire amount with the first payment. If payment is through a third party, such as a wholesaler or tour operator, the third party must collect the tax based on the rent paid by the occupant and forward the full amount of the rent and tax collected to the operator.

Section 2. Bend Code Section 12.05.080A is amended to read as follows:

Use of Room Tax Funds. Thirty percent of the proceeds from a room tax rate of 9% and 70 percent of the proceeds from any increment above a 9% rate received by the City shall be paid into the Tourism Fund and used for tourism promotion. The City may enter into contracts with the Visit Bend, the Central Oregon Visitors Association or other entities for tourism promotion. Seventy percent of the proceeds from a room tax rate of 9% may be used for any purpose consistent with state law. Thirty percent of room tax proceeds received by the City based on any increment of tax above a 9% tax rate shall be used for police and fire services.


Section 3. All other provisions of the Bend Code remain unchanged and in effect.

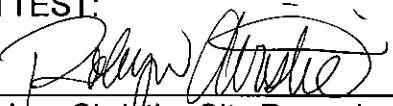
Section 4. This ordinance shall be effective June 1, 2014.

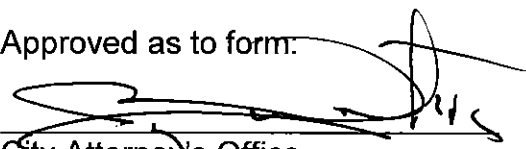
First Reading Date: March 5, 2014  
Second Reading Date: March 19, 2014  
Adopted by roll call vote on March 19, 2014

YES: Mayor Jim Clinton  
Councilor Jodie Barram  
Councilor Scott Ramsay  
Councilor Mark Capell  
Councilor Victor Chudowsky  
Councilor Doug Knight  
Councilor Sally Russell

NO: none

  
\_\_\_\_\_  
Jim Clinton, Mayor

ATTEST:  
  
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Robyn Christie, City Recorder

Approved as to form:  
  
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City Attorney's Office