



## Agenda Commentary

**Item Title/ Subject: Lodging Tax Exemptions**

**Staff Source: Debra Blanchard, City Treasurer**

**History/Background Information:** The City implemented lodging tax on all room rents with the vote of the citizens and passing of Ord. 831 with the tax beginning March 2000. The lodging tax rate is 5% on hotel/motel room rent. Revenues are dedicated to be “used solely for paying the costs of operating and maintaining a community conference center for the City.”

**Item/Subject Summary:** The lodging tax has exemptions that can be claimed from the tax. These include exemptions for permanent guests, defined as any occupant who occupies a room for at least 30 consecutive days, and for other exemptions such as government agencies, churches, schools, non-profits, etc.

I have experienced problems receiving proper documentation in the past and have also found that some motels have also been exempting the 30 day stay guests from sales tax as well as lodging tax. The Oklahoma Tax Commission does not recognize that as an exempt stay. We currently have 7 hotel/motels claiming exemptions for their guests. The guest is to complete an exemption certificate stating their reason and provide copy of tax exempt status if applicable. The 30 day guests are reported to us with their arrival dates and departure dates. In some cases, the 30 day stays are oilfield related businesses renting blocks of rooms continually. In the last 12 months completed, these hotel/motels have claimed \$1,529,733 in exempt room rents, amounting to \$76,486 lodging tax uncollected.

**Price/Cost: -0-**

**Recommendation:** I would recommend that the Council amend the City Code with an Ordinance, amending procedures for the lodging tax collections, removing all exemptions from room rents and simplifying the process. Section 9 of the ordinance does authorize the City Council to make administrative and technical changes to the enforcing of the Ordinance.

**ORDINANCE NO. 831a**

**AN ORDINANCE AMENDING THE CLINTON CITY CODE BY DELETING A PORTION OF SECTION 3-5-2 AND REPEALING SECTION 3-5-4 RELATING TO HOTEL/MOTEL ROOM TAX EXEMPTIONS AND THEREBY RENUMBERING SECTIONS OF THAT ARTICLE AND DECLARING AN EMERGENCY**

WHEREAS, Ordinance 831 was passed by the City Council on December 7, 1999;

WHEREAS, Section 4 of Ordinance 831 allows for exemptions from the tax in certain situations;

WHEREAS, Section 9 of Ordinance 831 allows and authorizes the City Council, by Ordinance, to make changes in the manner of administration and enforcement of Ordinance 831;

NOW THEREFORE, be it ordered by the Council of the City of Clinton, Oklahoma:

1. The definition of "Permanent Resident" in Section 3-5-2 of the Clinton City Code is hereby deleted.
2. Section 3-5-4, Exemptions, is hereby repealed. Remaining Sections of 3-5 are to be recodified in remaining numerical numbers.

WHEREFORE, an emergency is hereby declared to exist and this Ordinance shall be in full force and effect immediately from and after its passage, approval and publication.

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Allen Bryson, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Anders, City Clerk

**EXAMPLE**

ORDINANCE NO. 2621

"AN ORDINANCE AMENDING THE STILLWATER MUNICIPAL CODE BY DELETING SECTION 28-65(f) OF ARTICLE IV RELATING TO DEFINITIONS AND THEREBY RECODIFYING REMAINING DEFINITIONS; AND REPEALING SECTION 28-68 OF CHAPTER 28, ARTICLE IV, RELATING TO HOTEL ROOM TAX EXEMPTIONS AND THEREBY RENUMBERING REMAINING SECTIONS OF THAT ARTICLE."

Section 1: Section 28-65(f), Definition of Permanent Resident, of Chapter 28 is hereby deleted. Remaining definitions are to be recodified in remaining alphabetic order.

Section 2: Section 28-68, Exemptions, of Chapter 28 is hereby repealed. Remaining sections of Article IV are to be recodified in remaining numerical order.

PASSED, APPROVED AND ADOPTED THIS 13 DAY OF July 1998.

THE CITY OF STILLWATER

Mike Henson  
MIKE HENSON, MAYOR

(SEAL)

ATTEST:

Marcy Alexander  
MARCY ALEXANDER, CITY CLERK

APPROVED AS TO FORM AND LEGALITY THIS 14 DAY OF July, 1998.

Mary Ann Karns  
MARY ANN KARNs, CITY ATTORNEY

FIRST READING: 7/6/98  
SECOND READING: 7/13/98

**MBS** MULTI-BANK SECURITIES, INC.  
FINRA, SIPC, MSRB

Chapter 5:

3-5-4