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DATE: September 19, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 34, TRANSIENT OCCUPANCY TAX, DEFINING THE TAX ADMINISTRATOR**

**SYNOPSIS**

Staff recommends the introduction and subsequent adoption of an ordinance amending Chapter 34 Section 14, transient occupancy tax, definitions, updating the responsibility of tax administrator from the City Treasurer to the Financial Services Director.

**BACKGROUND**

In January 1998, the City Council adopted changes to Chapter 2, Article IV, Administration, establishing the Office of the City Treasurer. The amendments separated the City Treasurer responsibilities from the Financial Services Department (formerly the Administrative Services Department). The adopted duties of the City Treasurer specifically exclude the office from the responsibility of collecting of taxes.

Operationally, the City Treasurer's office has not been actively involved with the collection of transient occupancy taxes. The administration of the tax has resided solely with the Financial Services Department. Currently Section 34.14 defines the tax administrator as the City Treasurer.

**ANALYSIS**

The duties of the City Treasurer as outlined in Section 2.18 are inconsistent with the definition of tax administrator in Section 34.14. In reviewing the intent of the 1998 changes, the staff report and adopted language indicates that tax collection responsibilities would reside with the Financial Services Department. Evidence of this distinction is supported by the ongoing performance of these duties by the Financial Services Department.

As in 1998, both departments continue to work collectively to ensure the prudent management of public funds with ultimate authority for fiscal management vested in the City Council. The general responsibility of City Treasurer is to receive and provide safe keeping for City revenue. The Financial Services Director's main responsibility is to administer the City's financial affairs.

The recommended change in the definition of the tax administrator, from the City Treasurer to the Financial Services Director, would correct the discrepancy between the chapters in the manner of intention in 1998.

**FISCAL IMPACT**

No fiscal impact.

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

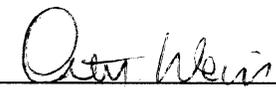
**RECOMMENDATION**

Staff recommends the introduction and subsequent adoption of an ordinance amending Chapter 34 Section 14, transient occupancy tax, definitions, updating the responsibility of tax administrator from the City Treasurer to the Financial Services Director.

PREPARED BY:

SUBMITTED BY:

  
\_\_\_\_\_  
Sheri Brown  
Revenue Manager

  
\_\_\_\_\_  
Peter Weiss  
Interim City Manager

REVIEWED BY:

Rosemary Jones, City Treasurer  
Michelle Skaggs Lawrence, Deputy City Manager  
Paul Bussey, Interim Financial Services Director

  
\_\_\_\_\_  
  
\_\_\_\_\_

Attachment: Ordinance



1 compliance by both.

2 *Person.* "Person" means an individual, firm, partnership, joint venture, association, social club,  
3 fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver,  
4 trustee, syndicate or any other group or combination acting as a unit.

5 *Rent.* "Rent" means the consideration charged, whether or not received, for the occupancy of  
6 space in a hotel valued in money, whether to be received in money, goods, labor or otherwise,  
7 including all receipts, cash credits and property and services of any kind or nature without any  
8 deduction therefrom whatsoever. Where the rent is prepaid by obtaining blocks of credit or  
9 similar calls upon occupancy to be subsequently reserved, the council, by agreement with the  
10 operator or otherwise, shall establish the applicable amount of consideration deemed to be  
11 charged for daily occupancy, based upon room rates for comparable accommodations.

12 *Tax administrator.* "Tax administrator" means the ~~city treasurer~~ financial services director.

13 *Transient.* "Transient" means any person who exercises occupancy or is entitled to occupancy  
14 by reason of concession, permit, right of access, license or other agreement for a period of thirty  
15 (30) consecutive calendar days or less, counting portions of calendar days as full days. Any such  
16 person so occupying space in a hotel shall be deemed to be a transient until the period of thirty  
17 (30) days has expired unless there is an agreement in writing between the operator and the  
18 occupant providing for a longer period of occupancy. In determining whether a person is a  
19 transient, uninterrupted periods of time extending both prior and subsequent to the effective  
20 date of this article may be considered.

21 SECTION 2. The City Clerk of the City of Oceanside is hereby directed to publish this  
22 ordinance, or the title hereof as a summary, pursuant to state statute, once within fifteen (15)  
23 days after its passage in the North County Times, a newspaper of general circulation published  
24 in the City of Oceanside.

25 SECTION 3. This ordinance shall take effect and be in force on the thirtieth (30<sup>th</sup>) day  
26 from and after its final passage.

27 INTRODUCED at a regular meeting of the City Council of the City of Oceanside,  
28 California, held on the \_\_\_ day of \_\_\_\_\_, 2007, and, thereafter,

1 PASSED AND ADOPTED at a regular meeting of the City Council of the City of  
2 Oceanside California, held on the \_\_\_\_ day of \_\_\_\_\_, 2007, by the following vote:

3 AYES:

4 NAYS:

5 ABSENT:

6 ABSTAIN:

7  
8 MAYOR OF THE CITY OF OCEANSIDE

9 ATTEST:

APPROVED AS TO FORM:

10  
11 \_\_\_\_\_  
12 CITY CLERK

13  
14   
15 \_\_\_\_\_  
16 CITY ATTORNEY

17  
18 AN ORDINANCE OF THE CITY COUNCIL OF  
19 THE CITY OF OCEANSIDE AMENDING CHAPTER 34  
20 SECTION 14 OF THE OCEANSIDE CITY CODE REGARDING  
21 TRANSIENT OCCUPANCY TAX DEFINITIONS, TAX  
22 ADMINISTRATOR  
23  
24  
25  
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