

URGENCY ORDINANCE NO. 1659

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND TEMPORARILY SUSPENDING SECTIONS 3.12.080 AND 3.12.090 OF THE CITY OF WOODLAND MUNICIPAL CODE CONCERNING PAYMENT OF TRANSIENT OCCUPANCY TAX, AND DECLARING THE URGENCY THEREOF

WHEREAS, the City of Woodland on March 17, 2020 declared a local emergency due to COVID-19, a contagious virus with no known cure that has become a global pandemic; and

WHEREAS, the City's actions followed the Governor of the State of California declaring a state of emergency on March 4, 2020, the Yolo County Board of Supervisors ratifying a local and public health emergency on March 10, 2020, and the President of the United States declaring a national emergency on March 13, 2020; and

WHEREAS, the Yolo County Health Officer issued a Shelter in Place Order on March 18, 2020, and the Governor issued a similar Executive Order ordering all residents to stay at home as much as possible on March 19, 2020; and

WHEREAS, the effects of the various orders and actions needed to slow the spread of COVID-19 has resulted in significant economic effects in the City of Woodland as restaurants have converted to take-out only businesses, "non-essential" businesses have temporarily closed and may be forced to permanently close, events have been cancelled, and hotel room nights have dramatically decreased; and

WHEREAS, hotels in the City provide not only a place for visitors to stay while in the City, but they also generate additional revenue in the form of increased sales tax dollars from visitors' purchases at local stores and restaurants; and

WHEREAS, if hotels in the City are forced to close permanently as a result of the decrease in hotel room nights, there will be at minimum a significant delay in such hotels reopening, and there may be a permanent reduction in the number of hotel rooms in the City, resulting in reductions in City revenue and the elimination of an essential amenity for visitors to the City; and

WHEREAS, hotels in the City are subject to Chapter 3.12 of the City of Woodland Municipal Code, which requires them to collect from hotel guests a 10% occupancy tax, referred to as the transient occupancy tax, which is then remitted to the City; and

WHEREAS, in this time of economic uncertainty and declining hotel revenues, the City Council finds that it is vital to help assist the hotels in the City to remain both open and viable businesses so that visitors can stay in hotels during this period of local emergency but also so that they will be able to successfully operate again once operations in the City return to typical operating conditions; and

WHEREAS, the City Council finds that enforcing all of the provisions of the Municipal Code regarding collecting the transient occupancy tax from hotels in the City is not in the public interest, that it is in the best interest of the public's health, safety, and welfare for hotels to be able

to continue to operate during and after the local emergency caused by COVID-19, and that the City desires to help hotels continue in business and can do so by not enforcing the provisions of the Municipal Code requiring penalties and interest to be paid in the event of non-payment and requiring certain enforcement procedures when operators fail to timely pay the tax; and

WHEREAS, this Ordinance is temporary in nature and is intended to provide temporary financial relief to hotels within the City of Woodland during, and immediately following, the City's response to the COVID-19 pandemic outbreak; and

WHEREAS, this Ordinance is adopted pursuant to the City's police powers and powers afforded to the City in time of national, state, county, and local emergency during an unprecedented health pandemic, such powers being afforded by the State Constitution, State Law, and Chapter 13.52 of the Woodland Municipal Code to protect the peace, health, and safety of the public; and

WHEREAS, the City Council of the City of Woodland finds that this Ordinance is necessary for the preservation of the public peace, health, and safety of residents living within the City and finds such urgency to approve this Ordinance immediately based on the facts described herein, and detailed in the staff report.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Woodland as follows:

Section 1. Section 3.12.080 of the City of Woodland Municipal Code concerning penalties for failure to remit the transient occupancy tax when due is hereby suspended and shall be in full force and effect again as set forth in Section 3.

Section 2. Section 3.12.090 of the City of Woodland Municipal Code requiring the Tax Administrator to take certain actions when an operator fails to remit the transient occupancy tax collected, including the assessment of penalties and interest, sending notice to the operator, and allowing the operator to have a hearing, is hereby suspended and shall be in full force and effect again as set forth in Section 3.

Section 3. The effect of the City Council's suspension of Sections 3.12.080 and 3.12.090 is to permit the deferral of transient occupancy tax payments by operators to the City. Upon cessation of the local emergency, all operators who collected the transient occupancy tax are expected to remit all payments owed to the City by the end of the following quarter. If, for example, the local emergency terminates in May 2020, all transient occupancy taxes owed by an operator will be due to the City following the July- September 2020 quarter. From and after the date the tax is owed, all applicable interest and penalties set forth in Section 3.12.080 shall begin accruing, and the enforcement provisions in Section 3.12.090 may be enforced by the Tax Administrator.

Section 4. Nothing in this Ordinance shall relieve an operator from collecting from transients the amounts required to be collected, as specified in Section 3.12.030 of the City of Woodland Municipal Code. This Ordinance also does not relieve any operator from its obligation to remit to the City the transient occupancy tax collected.

Section 5. Each operator that collects, or has collected, transient occupancy tax shall continue to be required to comply with Section 3.12.070 of the City of Woodland Municipal Code requiring an operator to report to the City's Tax Administrator the total rents charged and received and the amount of tax collected for transient occupancies.

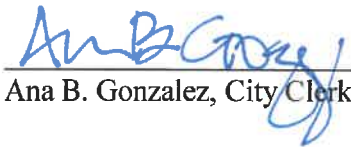
PASSED AND ADOPTED by the City Council of the City of Woodland, by a four-fifths vote, at a special meeting this 24th day of March, 2020, by the following vote:

AYES: Barajas, Fernandez, Lansburgh, Rodriguez and Stallard
NOES: None
ABSENT: None
ABSTAIN: None




Rich Lansburgh, Mayor

ATTEST:



Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:



Kara K. Ueda, City Attorney