

1 The City has adequately budgeted funds for public safety but anticipates needing
2 additional revenue for such purposes, including, for example, for a Lincoln
3 Interagency Narcotics Team (LINT) detective; and

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5 It is in the economic interest of the City including the hotel and motels and short
6 term rental industry that the city promote and develop tourism-related facilities,
7 events and programs for visitors during all seasons, including the shoulder and off-
8 seasons; and

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10 A new lodging tax is currently restricted by state law in that such funds can be used
11 to fund tourism promotion and tourism-related facilities (at least 70% of net revenue)
12 and city services (including public safety) of no more than 30% of net revenue; and

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14 The legislature is entertaining amendments to the above percentages and the City
15 intends to fully comply with the limitations of state law on the use of such TRT funds;
16 and

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18 The City of Lincoln City has not increased TRT since 2008 while other Lincoln County
19 Communities (such as Newport at 12%) have increased TRT in their communities; and

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21 The Council finds and determines that it is therefore appropriate to increase the
22 transient room tax from 9.5 percent to 12% and to allocate such additional revenues
23 as required by law, without changing the previous allocations under the City Charter;
24 and

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26 It is therefore appropriate to refer to the voters of the City the question of whether to
27 amend the Lincoln City Charter to allow for an increase of 2.5% in the transient room
28 tax imposed on visitors to Lincoln City.

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31 **NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**
32 **LINCOLN CITY, AS FOLLOWS:**

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34 **SECTION 1. RECITALS.**

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36 The above recitals are true and correct and are incorporated herein by this
37 reference.

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39 **SECTION 2. CALL FOR ELECTION.**

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1 An election is hereby called to submit to the qualified voters of the City of Lincoln
2 City the question of amending the Lincoln City Charter in accord with the
3 amendment (shown with strike-through and underlined text) set out in **Exhibit A**,
4 attached hereto. **Exhibit D**, attached hereto, shows the (clean) text of the current
5 Lincoln City Charter provisions, as amended, by the proposed change.

6
7 **SECTION 3 . BALLOT TITLE.**

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9 The Ballot Title attached hereto as **Exhibit B** is adopted by the Council and
10 shall be filed with the City Recorder in accord with ORS 250.285(1).

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12 **SECTION 4. EXPLANATORY STATEMENT.**

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14 The explanatory statement to be published in the Lincoln County Voters Pamphlet, as
15 required by ORS 251.345, shall be the Explanatory Statement attached hereto as
16 Exhibit C.

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18 **SECTION 5 . DELEGATION.**

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20 The City Manager, City Recorder and City Attorney are hereby authorized and
21 directed to cause this Resolution, Measure Text and Ballot Title, subject to any
22 revisions made in accord with ORS 250.296, and the Explanatory Statement to be
23 submitted to the Lincoln County Elections Officer in a timely manner as required by
24 law, for inclusion on the November 8, 2022 election ballot and in the Lincoln County
25 Voters Pamphlet; and to perform all other acts which may be required or convenient
26 to submit the measure to the voters.

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28 **SECTION 6 . EFFECTIVE DATE.** This Resolution is effective as of the date of its
29 adoption.

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31 **PASSED AND ADOPTED** by the City Council of the City of Lincoln City, Oregon, this
32 19th day of August, 2022.

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34 
35 SUSAN WAHLKE, MAYOR

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37 ATTEST:
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39 JAMIE YOUNG, CITY RECORDER

1 APPROVED AS TO FORM:

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4 RICHARD APPICELLO, CITY ATTORNEY

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1 **Exhibit A**

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3 *Annotated to show deletions and additions to the charter sections being modified. Deletions are*
4 ***bold ~~lined through~~** and additions are **bold underlined**.*

5 Section 11.1.5 of the Charter of the city of Lincoln City, Oregon is hereby amended,
6 effective July 1, 2023, to read:

7

8 **11.1.5 Imposition and Allocation of Transient Room Tax.**

9

10 (1) For the privilege of occupancy in any hotel, each transient shall pay a tax in the
11 amount of ~~nine and one-half~~ **twelve** percent of the rent charged by the operator.
12 The procedures applicable to the collection, administration and enforcement of this
13 tax shall be governed by ordinance of the city.

14 (2) After payment of the costs associated with administering the fund determined as
15 provided by ordinance of the city, the net funds collected pursuant to a tax of ~~9.5~~ **12**
16 percent of the rent charged by the operator shall be distributed as follows:

17 (a) One eighth of the revenue from the 8 percent tax shall be irrevocably
18 pledged and utilized, while bonds are outstanding, for the repayment of the
19 general obligation bonds issued for the purpose of acquisition or construction
20 of a Library and Civic Center at Lincoln Square, and for payment of refunding
21 bonds, if any are issued to reduce debt service for this issue, except that, while
22 bonds are outstanding, any surplus of one eighth of the revenue over the debt
23 service on the bonds or refunding bonds also may be used for renovation,
24 rehabilitation, improvement, and physical maintenance of Lincoln Square.
25 Thereafter, this portion of the transient room tax will be allocated to other
26 capital construction needs of the city.

27 (b) Two eighths of the revenue from the 8 percent tax shall be deposited in the
28 city's Visitors and Convention Bureau Fund, shall be restricted to marketing
29 Lincoln City as a tourist destination, and shall be expended solely and directly by
30 the city's Visitors and Convention Bureau. "Marketing" means those activities
31 that will increase Lincoln City's share of leisure, motorcoach, and conference
32 business through advertising, public relations, collateral materials, tourism
33 research, and operation of a visitor information center.

34 (c) One eighth of the revenue from the 8 percent tax shall be allocated to the
35 public safety needs of the city.

36 (d) Four eighths of the revenue from the 8 percent tax shall be retained by the
37 city to be used for the purposes of street construction and maintenance, traffic
38 control signals, drainage facilities, (including storm drains), pedestrian safety
39 equipment and features, lighting, right-of-way acquisition, pavement widening,

1 grade separation, bridge or culvert construction, channelization, and street
2 extension, for park and recreation facilities construction and maintenance; for
3 community celebrations and the provision and maintenance of visitor-oriented
4 outdoor signs and facilities; and for the actual and reasonable administrative
5 costs allocable to such stated purposes or any of them.

6 (e) Beginning July 1, 2008, the revenues from the increase of one and one-half
7 percent transient room tax shall be allocated in the following proportion: 30
8 percent to public safety needs of the city and 70 percent to tourism promotion
9 or tourism-related facilities including programs of the city and eligible non-
10 profit corporations that primarily serve the shoulder and off-season period of
11 September 16 through June 30, and as allocated in the City's annual budget.

12 **(f) Beginning July 1, 2023, the revenues from the increase of two and one-**
13 **half percent (2.5%) transient room tax shall be allocated in the proportion**
14 **prescribed by the state law in effect at the time. If the state law is not**
15 **changed before July 1, 2023, the allocations shall be as currently described**
16 **in ORS 320.350(5)&(6).**
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Exhibit B

Ballot Title

Caption: Amends Charter to increase lodging tax from 9.5% to 12%.

Question: Should the City of Lincoln City transient room tax be increased from 9.5 percent to 12 percent?

Statement: This Charter amendment will increase the lodging tax paid by visitors to Lincoln City by 2.5 percentage points from nine and one-half percent (9.5%) to twelve percent (12%). The City last increased the transient room tax in May of 2008. This Charter amendment will not change how revenues for the existing 9.5 percent transient room tax are currently allocated in the Charter. The revenues from the additional two and one-half percent (2.5%) tax will be allocated as provided in the state law in effect at the time the increase is effective in July 2023; Currently state law provides that seventy percent (70%) goes to tourism promotion or to tourism-related facilities and no more than thirty percent (30%) goes to the general fund/public safety purposes. The City generally intends to fund police services (narcotics detective) and city park improvements from the general fund portion and tourism promotion and tourism-related facilities (like a new D River visitor information center/ restroom) from the tourism portion.

1 **Exhibit C**

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3 **Explanatory Statement**

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5 Chapter 11 of the Lincoln City Charter currently imposes a lodging tax of nine and
6 one-half percent (9.5%). The tax is imposed on the occupant of the lodging, not the
7 operator of the lodging.

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9 This Charter amendment will increase the amount of lodging tax imposed, from nine
10 and one-half percent (9.5%) to twelve percent (12%).

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12 The main reasons for the Charter amendment are as follows:

- 13
14 1. The additional 2.5 percent lodging tax is estimated to provide additional revenues
15 to the City of \$2,666,667.00. The City is required to fund public safety and
16 essential services for residents and visitors alike. The City anticipates, beginning in
17 2023, that the city will not have sufficient funds in the general fund to provide all
18 desired essential services, including for example, public safety services, such as a
19 Lincoln Interagency Narcotics Team (LINT) detective. It is appropriate to require
20 visitors, who place additional demand on these city services, to pay a share of the
21 services. Additional revenues will be necessary to provide such public safety
22 services.
- 23 2. In 2023-2024, the City anticipates the need for additional funds for adequate
24 services that support the tourism industry including public safety and public
25 facilities used by tourists, including tourism-related facilities. Additional revenues
26 would allow the city to support local tourism programs, and events and provide
27 needed funds for tourist-related facilities. One such tourism-related facility is the
28 proposed new Visitor Information Center / restrooms at the D River State Park. In
29 addition, there is an opportunity to widen the tourism market during the off-
30 season with increased tourism facilities and marketing. For the off-season, such
31 efforts would benefit the lodging industry and associated businesses.
- 32 3. Under current state law, unless changed, the City must allocate at least seventy
33 percent (70%) of the estimated revenue or \$1,866,667.00 to tourism promotion
34 and tourism- related facilities. In addition, the City may not use more than thirty
35 percent (30%) of the two and one-half percent (2.5%) increase in the lodging tax
36 (under current state law) for general fund purposes such as public safety (unless
37 the state law is changed). Estimated revenues from the tax increase would be
38 available in the amount of \$800,000.00 for general city services including police
39 services.
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1 **Exhibit D**

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3 Section 11.1.5 of the Charter of the city of Lincoln City, Oregon is hereby amended,
4 effective July 1, 2023, to read:

5
6 **11.1.5 Imposition and Allocation of Transient Room Tax.**

7
8 (1) For the privilege of occupancy in any hotel, each transient shall pay a tax in the
9 amount of twelve percent of the rent charged by the operator. The procedures
10 applicable to the collection, administration and enforcement of this tax shall be
11 governed by ordinance of the city.

12 (2) After payment of the costs associated with administering the fund determined as
13 provided by ordinance of the city, the net funds collected pursuant to a tax of 12
14 percent of the rent charged by the operator shall be distributed as follows:

15 (a) One eighth of the revenue from the 8 percent tax shall be irrevocably
16 pledged and utilized, while bonds are outstanding, for the repayment of the
17 general obligation bonds issued for the purpose of acquisition or construction
18 of a Library and Civic Center at Lincoln Square, and for payment of refunding
19 bonds, if any are issued to reduce debt service for this issue, except that, while
20 bonds are outstanding, any surplus of one eighth of the revenue over the debt
21 service on the bonds or refunding bonds also may be used for renovation,
22 rehabilitation, improvement, and physical maintenance of Lincoln Square.
23 Thereafter, this portion of the transient room tax will be allocated to other
24 capital construction needs of the city.

25 (b) Two eighths of the revenue from the 8 percent tax shall be deposited in the
26 city's Visitors and Convention Bureau Fund, shall be restricted to marketing
27 Lincoln City as a tourist destination, and shall be expended solely and directly by
28 the city's Visitors and Convention Bureau. "Marketing" means those activities
29 that will increase Lincoln City's share of leisure, motorcoach, and conference
30 business through advertising, public relations, collateral materials, tourism
31 research, and operation of a visitor information center.

32 (c) One eighth of the revenue from the 8 percent tax shall be allocated to the
33 public safety needs of the city.

34 (d) Four eighths of the revenue from the 8 percent tax shall be retained by the
35 city to be used for the purposes of street construction and maintenance, traffic
36 control signals, drainage facilities, (including storm drains), pedestrian safety
37 equipment and features, lighting, right-of-way acquisition, pavement widening,
38 grade separation, bridge or culvert construction, channelization, and street
39 extension, for park and recreation facilities construction and maintenance; for
40 community celebrations and the provision and maintenance of visitor-oriented

1 outdoor signs and facilities; and for the actual and reasonable administrative
2 costs allocable to such stated purposes or any of them.

3 (e) Beginning July 1, 2008, the revenues from the increase of one and one-half
4 percent transient room tax shall be allocated in the following proportion: 30
5 percent to public safety needs of the city and 70 percent to tourism promotion
6 or tourism-related facilities including programs of the city and eligible non-
7 profit corporations that primarily serve the shoulder and off-season period of
8 September 16 through June 30, and as allocated in the City's annual budget.

9 (f) Beginning July 1, 2023, the revenues from the increase of two and one-half
10 percent (2.5%) transient room tax shall be allocated in the proportion prescribed
11 by the state law in effect at the time. If the state law is not changed before July
12 1, 2023, the allocations shall be as currently described in ORS 320.350(5)&(6).

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