

ORDINANCE No. _____

AN ACT TO AMEND CHAPTER 167, TAXES OF THE CODE OF ORDINANCES OF THE TOWN OF DEWEY BEACH CONCERNING THE ENACTMENT OF A LODGING TAX.

WHEREAS, the Charter of the Town of Dewey Beach authorizes the imposition of a lodging tax subject to the limitation and applicability provisions expressed therein;

WHEREAS, the Commissioners of the Town of Dewey Beach Commissioners have determined that the imposition of a lodging tax is necessary and appropriate given the impact of hotel and motel patrons on the Town's infrastructure and duty to promote health, safety and welfare the community; and

WHEREAS, the Town of Dewey Beach has a continuing need to identify fair and predictable sources of revenue to fund the provision of services and infrastructure maintenance and improvements.

NOW, THEREFORE, BE IT ENACTED BY THE COMMISSIONERS OF THE TOWN OF DEWEY BEACH, a majority of whom having indicated their consent thereto a lodging tax is hereby imposed as follows:

Section 1. Amend Chapter 167 by adding thereto a new Article to read as follows:

**“ARTICLE IV
Lodging Tax**

§ 167-20 Lodging Tax Imposed.

- A. There is hereby imposed and assessed a lodging tax at the rate of 1.5% of the rent for the occupancy of any room or rooms in a hotel, motel, or tourist home located within the boundaries of the City, and as defined in 30 Del. C. § 6101. The payment of the tax shall be the responsibility of the person who is the owner of the property being rented; provided, however, that such person may designate an agent to collect and pay the tax to the Town.
- B. For purposes of this Article, the terms below shall have the following meanings:

"Occupancy" shall mean the use or possession or the right to use or possess any property referred to in Subsection A hereof.

"Rent" shall mean the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash credits and property or services of any kind of nature.

“Person” shall mean any individual, natural person, joint-stock company, partnership, voluntary association, society, club, firm, company, corporation, business trust, organization, or any other group acting as a unit, or the manager, lessee, agent, servant, partner, member, director, officer or employee of any of them, including an executor, administrator, trustee, receiver, or other representative appointed according to law.

- C. Every person receiving any rent on which the lodging tax is imposed under Subsection A shall be obligated to file, or have filed by a designated agent, a lodging tax report form with the Town Manager and to pay the Town Manager, for use of the Town, the amount of lodging tax due the Town, as follows: The lodging tax on rent received in any month shall be due and payable on or before the 15th day of the following month in which rent is received.
- D. The rental tax report form referred to in Subsection C above shall be furnished by the Town Manager to the owner of the rental property, or designated agent thereof, at the time of issuance of the license required by § 117-13B(2) of this Code. It is the responsibility of the owner of the rental property to obtain a rental tax report form from the Town Manager.
- E. The contents of the rental tax report form shall be kept confidential by the Town as permitted by applicable state and federal law.
- F. Any person obligated to pay the lodging tax imposed and assessed by this section who fails or refuses to file the required rental tax report form and to remit the lodging tax required to be paid within the time and in the amount specified in Subsections A and B hereof, unless it is shown that such failure is due to reasonable cause, shall be charged, in addition to the amount of lodging tax owed the Town, interest thereon at the rate of 1 1/2% per month until such debt is fully paid. If such debt remains unpaid by the time of expiration of the license to rent the accommodations concerning which the lodging tax has not been paid, a renewal lodging license shall not be issued with regard to such property.”

Section 2. If any provision of this Ordinance shall be deemed or held to be invalid or unenforceable for any reason whatsoever, then such invalidity or unenforceability shall not affect any other provision of this Ordinance which may be given effect without such invalid or unenforceable provision, and to this end, the provisions of this Ordinance are hereby declared to be severable.

Section 3. This Act shall become effective on _____, 20__.

SYNOPSIS

This Act permits the Town of Dewey Beach to impose and collect a lodging tax of no more than one and one-half percent (1.5%) of the rent for the occupancy of

any room or rooms in a hotel, motel or tourist home located in the Town of Dewey Beach. Section 2 of the Act is a housekeeping provision that deletes redundant definitions of the term “person” as it appears in the general definitions section of Chapter 1 of this Code.

So Enacted this ____ day of _____ by the Commissioners of the Town of Dewey Beach, at least a majority of whom voted in the affirmative.

Mayor Dale Cooke

Bill Zolper, Town Manager