

City of Sacramento

Legislation Text

File #: 2019-01001, **Version:** 1

Title:

Agreement with Misterb&b to Collect City Transient Occupancy Tax on Behalf of Misterb&b Hosts

File ID: 2019-01001

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager or City Manager's designee to execute an agreement with Misterb&b to collect the City's Transient Occupancy Tax and remit the same to the City for zero cost.

Contact: Julie Coffeen, Interim Revenue Manager, (916) 808-1259, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement

Description/Analysis

Issue Detail: In January 2016, City Council adopted a short-term rental program in response to an increasing trend of homeowners renting rooms or their entire residence on a short-term basis. Additionally, the increasing number of online platforms makes it increasingly easier for individuals to make reservations for rooms or residences on a short-term basis.

Short-term rental operators ("hosts") are required to collect and remit transient occupancy tax (TOT) to the City (see Sacramento City Code section 3.28.030). In an effort to streamline the process and gain compliance, staff recommends that Council authorize the City to enter into an agreement with Misterb&b for its collection of and remittance to the City of TOT on behalf of its hosts that utilize its services.

Policy Considerations: Entering into an agreement with Misterb&b would be consistent with the City's policy to collect all taxes due the City efficiently and effectively.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: Hosts offering lodging services on Misterb&b in the City should collect TOT from their guests and remit it to the City. Entering into this agreement with Misterb&b would be the most efficient way for guests, hosts, Misterb&b, and the City to accomplish this. The agreement strengthens the City's ability to implement the Council policy on the short-term rental program.

Financial Considerations: Misterb&b platform is relatively new to the Sacramento market. Being able to offer this service to their hosts will enable them to be a competitive platform.

Local Business Enterprise (LBE): None.