



DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

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Board of Supervisors
County of Marin
Civic Center
San Rafael, CA 94903

August 7, 2018

Dear Board Members:

SUBJECT: Amend Chapter 3.05 - UNIFORM TRANSIENT OCCUPANCY TAX

Department of Finance
Merit Hearing for Proposed Amendment to Ordinance

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RECOMMENDATION: Conduct a public hearing on Tuesday, August 7, 2018 for the proposed amendment adding to existing Transient Occupancy Tax (TOT) ordinance section 3.05.130 - Actions to Collect, and section 3.05.135 – Duties and Liability of Purchaser, while repealing Section 3.05.150, entitled Violations— Misdemeanor.

SUMMARY: On July 31, 2018, this Board conducted a first reading on a proposed ordinance to amend the County TOT ordinance regarding actions to collect unpaid TOT.

The Department of Finance, through the Treasurer-Tax Collector, is responsible for administering the Marin County Uniform Transient Occupancy Tax program pursuant to the Marin County Code Chapter 3.05. Section 3.05.130 of this ordinance currently provides limited and ineffective remedies for the department to ensure compliance with the ordinance by all Operators.

Recently, short-term rental of single family dwellings through online hosting platforms has grown significantly. In fairness to all Operators and residents, everyone required to collect and remit the Transient Occupancy Tax should do so, without those renting single family dwellings evading the remittance of the tax through the lack of enforcement options. Therefore, new enforcement rules for collecting and remitting the tax should help the Treasure-Tax Collector enforce compliance for all Operators who advertise rental dwellings, not just traditional businesses such as motels and inns.

The department recommends adding language to section 3.05.130-Actions to Collect to allow for the recordation of a Certificate of Tax Lien against Operator(s) who fails to collect, report and/or remit Transient Occupancy Tax. A Certificate of Tax Lien would provide assurance that Operators who fail to collect and remit TOT to the County of Marin are held accountable when all other administrative remedies prescribed by the ordinance have been exhausted. Adding section 3.05.135 – Duties and Liability of Purchaser will allow for collection of the Certificate of Tax Lien upon sale of the property.

The department recommends repealing the language of section 3.05.150, entitled Violations—Misdemeanor. This provision is viewed as an overly harsh remedy, and its repeal, in conjunction with the other enforcement options from the amendments, will reduce need for judicial proceedings to collect the Transient Occupancy Tax.

REVIEWED BY: Director of Finance N/A
 County Counsel N/A

Sincerely,



Roy Given, C.P.A.
Director of Finance

RG:rb
Attach: Exhibit A

cc: Matthew H. Hymel, CAO