

NOTICE

THE COMMISSIONERS OF THE CITY OF REHOBOTH BEACH ON AUGUST 16, 2019,
ADOPTED ORDINANCE NO. 0819-02 WHICH READS AS FOLLOWS:

**AN ORDINANCE TO AMEND CHAPTER 245
(TAXATION) OF
THE MUNICIPAL CODE OF THE CITY OF REHOBOTH BEACH BY
INSERTING A NEW ARTICLE III
RELATING TO THE IMPLEMENTATION OF A LODGING TAX**

WHEREAS, tax revenues are necessary to the provision of quality City services in furtherance of the continued health, safety, and welfare of the Rehoboth Beach community;

WHEREAS, the City enjoys a significant number of visitors and tourists who lodge temporarily in the hotels, motels, and tourist homes located within the City;

WHEREAS, while the City receives tax revenues from persons benefiting from City services while lodging in short-term rental properties, the City does not presently receive tax revenues from persons benefiting from City services while lodging in hotels, motels, or tourist homes within the City;

WHEREAS, the Mayor and Commissioners find it to be in the public interest of the City of Rehoboth Beach to implement a lodging tax of 3% for the occupancy of any room or rooms in a hotel, motel, or tourist home located within the City, thereby generating revenue to support public services such as, for example, police, beach patrol, trash removal, and stormwater management;

WHEREAS, in accordance with 22 Del. C §811, during the September 21, 2018 regular meeting of the Mayor and Commissioners, the Mayor and Commissioners authorized a Bill to amend the City's Charter to allow for a lodging tax upon the occupancy of any room or rooms in a hotel, motel, or tourist home located within the City;

WHEREAS, Senate Bill 86, authorizing such a tax, was passed in the Delaware Senate on May 16, 2019, passed in the Delaware House on June 6, 2019, and signed into State law by Governor Carney on July 17, 2019;

WHEREAS, the Mayor and Commissioners of the City of Rehoboth Beach desire to amend Chapter 245 of the City Code, relating to taxation, to implement a Lodging Tax.

BE IT ORDAINED, by the Commissioners of the City of Rehoboth Beach, in session met, in the manner following to wit:

Section 1. Chapter 245 of the Municipal Code of the City of Rehoboth Beach, Delaware, 2001, as amended be and the same is hereby further amended by inserting a new Article III, Section 245-18, as follows:

Article III Lodging Tax

§ 245-18. Lodging Tax.

- A. There is hereby imposed and assessed a lodging tax at the rate of 3% 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 Title 30, Section 6101, of the Delaware Code. 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 City.
- B. For purposes of this Article, the terms Occupancy, Person, and Rent, shall be as defined in Section 245-17(B).
- 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 City Manager and to pay the City Manager, for use of the City, the amount of lodging tax due the City, 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.
- D. The rental tax report form referred to in Subsection C above shall be furnished by the City Manager to the owner of the rental property, or designated agent thereof, at the time of issuance of the license required by § 120-3 of this Code. It is the responsibility of the owner of the rental property to obtain a rental tax report form from the City Manager.
- E. The contents of the rental tax report form shall be kept confidential by the City 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 City, 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 3. 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 4. This Ordinance shall become effective on January 1, 2020.

SYNOPSIS: This Ordinance implements a lodging tax at the rate of 3% 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.