



# SUSPENSION OF LATE FEES AND PENALTIES FOR OVERDUE TOT AND SRTBIA PAYMENTS

City Council Meeting  
May 19, 2020

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Finance Department

# CURRENT

- The City collects Transient Occupancy Tax (TOT) and two Tourism Business Improvement Area assessments from customers staying in lodging establishments within City Limits
- Lodging establishments collect the tax and assessments, and remit to the City on a quarterly basis

# CURRENT (Continued)

- The TOT is 9%, Santa Rosa Tourism BIA is 3%, Sonoma County Tourism BIA is 2%
- Lodging establishments failing to remit the TOT or SRTBIA on time are subject to a 10% late fee and interest penalties
- TOT is a General Fund revenue source
- SRTBIA revenue is split between the Santa Rosa Metro Chamber (70%), and the City's Economic Development Division (30%)

# PROPOSED

- Emergency Ordinance to suspend late fees and interest penalties for overdue TOT and SRTBIA payments until October 31, 2020
- The suspension of late fees and interest penalties will be for stays during April, May, and June 2020
- TOT and SRTBIA payments are not being waived, and payments must be up to date by October 31, 2020

# BENEFIT

- The suspension of late fees and interest penalties are intended to provide lodging establishments cash flow flexibility
- There is the potential for lower TOT and SRTBIA revenues for Q4 as a result of delayed payments
- Would have temporary impact on General Fund, Metro Chamber, and Economic Development Division

# RECOMMENDATION

- It is recommended by the Finance and Planning and Economic Development Departments that the Council, by emergency ordinance, suspend the collection of late fees and interest penalties for overdue TOT and SRTBIA payments for stays during the last quarter of FY 2020 until October 31, 2020

QUESTIONS?