



Department Source: Convention and Visitors Bureau

To: City Council

From: City Manager & Staff

Council Meeting Date: November 20, 2017

Re: Report Regarding Definition of Hotel and Motel

Executive Summary

Currently, a "hotel" and "motel" are defined in our code of ordinances as having more than twelve (12) bedrooms. The Convention & Visitors Bureau is requesting the Council consider reviewing Chapter 26 of the Code of Ordinance to change the definition of a hotel, motel or tourist court to a place that rents any number of rooms.

Discussion

In the Code of Ordinance, Chapter 26 , Article IV: Taxation - a hotel, motel or tourist court, is defined "...as a place where sleeping accommodations are sought for pay or compensation to transient guests or lodgers and having more than twelve (12) bedrooms furnished for the accommodation of such guests."

The current definition captures traditional guest lodging; however, online rentals such as Airbnb, VRBO, Flipkey, HomeAway and many others are becoming more prevalent in Columbia and can provide alternate lodging opportunities for transient guests. At any given time, each site can have 100 rentals available and more on event weekends. Because these sites are only renting one room, or a house is renting with less than (12) bedrooms, they do not meet the current definition of a hotel, motel or tourist court. Additionally, bed & breakfasts located in the city limits of Columbia have historically been exempt from the lodging tax due to this definition even though they rent rooms to transient guests. Some have chosen to collect the lodging tax and others have not. At this time, there are only two b&bs operating in Columbia and one of these is scheduled to close in November.

The CVB Advisory Board has requested the Council consider changing the current definition of a hotel, motel or tourist court to "...having any bedrooms furnished for the accommodation of such guests". This change would then allow the city to approach online rental companies and begin discussion on developing agreements to collect the lodging tax, as well as any other applicable taxes. We strongly believe this change would have significant economic impact for Columbia and level the playing field for all in this industry.

Fiscal Impact

Short-Term Impact: n/a

Long-Term Impact: n/a



Strategic & Comprehensive Plan Impacts

[Strategic Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

[Comprehensive Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
n/a	n/a

Suggested Council Action

Direct staff to prepare an ordinance for council consideration.