



AUTHORIZE CITY MANAGER TO WAIVE TOT PENALTIES & INTEREST RELATED TO COVID-19

CITY COUNCIL MEETING

Keith DeMartini, Finance Director

July 28, 2020

Objective



- Adopt a Resolution Authorizing the City Manager to Waive Penalties and Interest Related to Transient Occupancy Tax (“TOT”) Remittances from San Bruno Hotels Related to COVID-19

Agenda

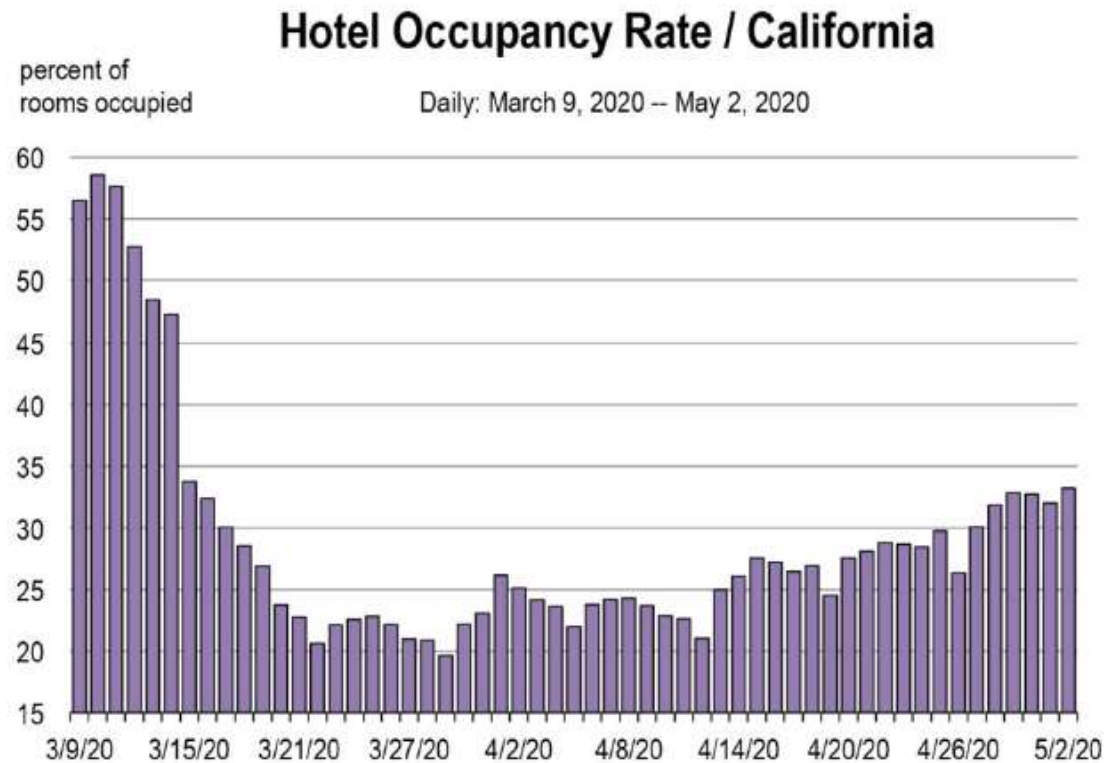


- I. COVID-19 Impact on Hotel Industry
- II. TOT Requirements in Municipal Code
- III. Request to Provide Authority to City Manager during the Declaration of Emergency
- IV. Request to Council & Questions

COVID-19 Impact on Hotel Industry



- March 2020 shelter-in-place order
 - Significant decline in hotel occupancy
 - Temporary closing of hotels in San Bruno
 - Reduced workforce
 - Acquiring financing to stay in operation
 - Reduce room rates
- Delayed remittance of TOT to the City



Source: California Economic Forecast, June 26, 2020

TOT Requirements in Municipal Code



- San Bruno Municipal Code Section 3.32.060
 - TOT remittance required monthly
 - Hotel operators that fail to remit will be assessed a 10% penalty on the tax owed
 - Penalties for continued delinquency
 - 1% interest per month for continued delinquency

Request Authority to City Manager



- Hotel business roundtable on July 10th
- Penalties and interest impose an undue hardship on hotels
- Recommend authority provided to the City Manager to waive penalties and interest related to COVID-19
 - Effective beginning March 16th
 - Authority will end at the termination of the emergency
 - Requires full TOT remittance or an approved payment plan

Request to City Council



- Adopt a Resolution Authorizing the City Manager to Waive Penalties and Interest Related to Transient Occupancy Tax (“TOT”) Remittances from San Bruno Hotels Related to COVID-19

Questions and Discussion





THE END