



Administrative Services Department
760 Mattie Road
Pismo Beach, CA 93449
Ph: (805) 773-4655 Fax: (805) 773-7065

July 7, 2017

Operators of Hotels and other Transient Lodging Providers

Re: **TOT, LBID, and TMD Compliance, Forms, City's website**

Dear Transient Lodging Providers:

Thank you for choosing Pismo Beach as your business location. We appreciate your business and hope to continue our long lasting relationship.

New! Rounding Payments, Electronic Communication, E-Forms, and E-Payments!

- **Beginning now, please round your TOT, LBID, and TMD payments to the nearest whole dollar.**
- We plan to move towards more electronic communications, primarily communicating with you via email. This year will be the last year that we mail out paper forms. All future mass correspondence will occur via email and all forms are always available on our website. We hope that this will allow us to communicate more effectively and timely.
- We are in the process of developing a new system that will allow you to submit your TOT/LBID/TMD forms electronically through a secure web portal.
- We will also add the ability to submit payments electronically for your convenience.
- More details regarding electronic forms and electronic payments will be coming shortly...

Other important information...

1. Email address on July 2017 Form

Please indicate the best email address to reach you for communication with your lodging property regarding TOT/LBID/TMD payments to the City. A space to include this information is located near the top right of the form, in red font. This year will be the last year that we mail out paper forms.

2. Total Units at Property Information on July 2017 Form

On the July 2017 form in box 1A (Rental Unit-Nights listed below will show as item 1B only on the July 2017 form) please include the total rental units available at the property. For RV Parks, indicate the total number of spaces available. For vacation rentals, indicate the total number of units available at the property/properties.

3. Rental Unit-Nights Information on Form *Do not forget this each month*****

On the form in box 1A, please continue to include the total rental unit-nights rented for the month. For hotels and motels, indicate the total number of room-nights rented during the month. For RV Parks, indicate the total number of space-nights rented during the month. For vacation rentals,



indicate the total number of unit-nights rented during the month. Do include all exclusion and exemption rentals, but do not include "complimentary" room-nights.

For example:

For a 10 room hotel during September which has 30 days and 8 of the hotel rooms were filled for all 30 days, 2 rooms were rented for 15 days, and 1 room was rented for 10 days:

$(8 \text{ rooms} \times 30 \text{ days}) + (2 \text{ rooms} \times 15 \text{ days rented}) + (1 \text{ room} \times 10 \text{ days}) = 280 \text{ rental unit-nights rented}$

Number of rooms rented x Number of days rented
Number of rooms rented x Number of days rented
+ Number of rooms rented x Number of days rented

Total Rental Unit-Nights Rented

If you have any questions about these forms, please contact Kristin Bennet at 773-7011 in the Administrative Services Department at the City of Pismo Beach.

4. Ensure Compliance with TOT Municipal Code

At the top of the TOT/LBID/TMD-Form, please note that the first explanatory line reads:

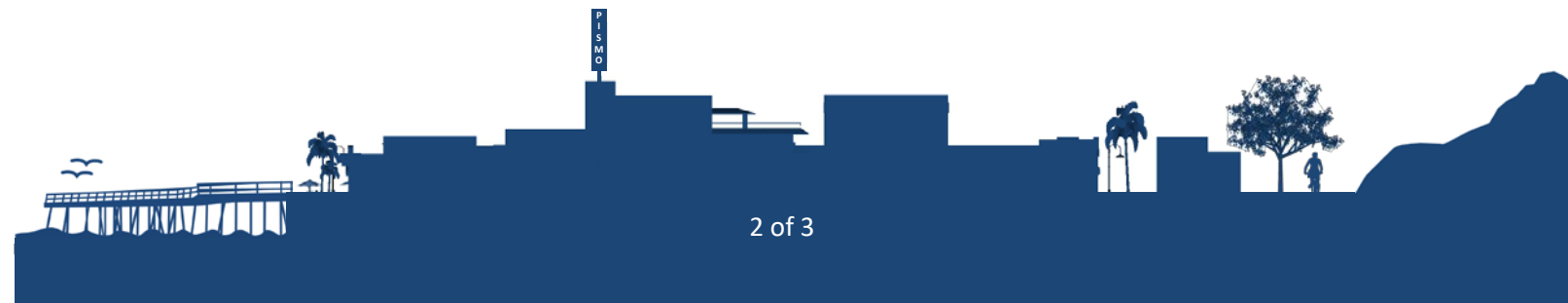
"NOTE: "Rent" includes ALL consideration charged, whether or not received, for occupancy of space in a hotel – including room rate, non-optional fees, and utility surcharges."

For example, a transient lodging operator could charge \$100.00 for "rent" for the room, but the "housekeeping fee" is \$50 per night, the "towel fee" is \$10 per night, and the "energy surcharge" to use electricity in the room is \$10 per night. All the above "fees" are, in reality, part of the consideration charged for the occupancy of the room.

However, IF a fee is truly optional, and can be declined or avoided by guest (i.e., charges for items in the mini-bar), such charges that are truly optional for the guest staying in the selected room, and not charged automatically, are not a part of the "rent", and are not subject to TOT.

Below is an example of some non-optional fees that may currently be charged to guests that are subject to TOT, LBID, and TMD. This list is neither all-inclusive nor does the absence of a particular fee mean that it will be deemed an optional fee. Only if guests can decline the fee and stay in the selected room, may the fee be deemed truly optional and exempt from collection as part of the "Rent".

Room rate, reservation fee, water fee, towel fee, cleaning fee, pet fee, no-show fees, attrition/cancellation fees from group bookings, late check-out fees, no-show fees, extra person charges, resort fees, surcharges, utility surcharges, or any other non-optional fee, whether or not received, for occupancy of space in a hotel.



If you have any further questions about what is, or is not included in rent, please call Nadia Feeser, Administrative Services Director, or Susan West-Jones, Finance Manager, at 805-773-4655.

5. TOT, LBID, TMD Form Deadlines and Information

Deadlines

Please find the enclosed fiscal year (FY) 2017-2018 monthly TOT and LBID Assessment forms, return envelopes, and exemption forms required by the City of Pismo Beach. Please use the exemption forms anytime you have exempt rental revenue during the month. Note Item B on the TOT/LBID/TMD form requires that any exemptions claimed must be supported by exemption forms.

A completed TOT/LBID/TMD Return form is due each month you are doing business, whether or not any tax payment is due. Each form and payment is due in our office on or before the last day of the month following the report period (i.e. reporting month October is due no later than November 30th). If the last day of the month ends on a weekend or holiday, please ensure that the TOT/LBID/TMD Return form and payment is received in our office before the weekend or holiday. In accordance with California government code and the City of Pismo Beach Municipal Code, Chapter 3.20 and 3.26, you are required to file TOT/LBID forms on a monthly basis. You continue to be obligated to file a TOT/LBID/TMD forms each month unless we are notified in writing that you are no longer doing business, have sold your business, or are no longer operating as a hotel or vacation rental.

For more information, please refer to the City's website for the Municipal Code Chapter 3.20 Transient Occupancy Tax and Chapter 3.26 for the Lodging Business Improvement District.

6. Check out our website at www.pismo beach.org for additional information about the City, TOT/LBID/TMD Forms, Ordinances, and more!

Please do not hesitate to email or call me, Nadia Feeser, if you have any questions regarding this letter. It is a pleasure doing business with you. Thank you!

Sincerely,



Nadia Feeser
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