



Administrative Services Department
Finance Division
760 Mattie Road
Pismo Beach, CA 93449
Ph: 805.773-4655 Email: TOT@PismoBeach.org

August 10, 2021

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 are grateful that you are continuing to choose Pismo Beach as your business location. We appreciate your business and hope to continue our long-lasting relationship.

Below are some key important new items and some reminders for you throughout the year.

1. New! TOT/LBID/TMD Audit – coming in 2022 and 2023.

Periodically, every three to five years, the City conducts an audit of TOT/LBID/TMD payments made to the City to ensure compliance with the TOT Municipal Code and State law. The last audit was performed in 2018 and 2019 and the next audit is scheduled for 2022 and 2023. City staff will reach out to the various properties with instructions and expectations when we get closer to the date.

2. Reminder: TOT, LBID, TMD Form Deadlines and Information

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, not postmarked. 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.

3. Reminder: Electronic Communication

We are continuing to communicate with all our lodging properties via email as our primary communication method. This allows us to communicate more effectively and timely. All future mass correspondence will occur via email such as this letter.



4. Reminder: E-Filing

We encourage you to e-file your TOT/LBID/TMD payments. **E-file your TOT/LBID/TMD forms and submit payments online with e-checks with no transaction fees! Instructions are available [here!](#)**

5. Reminder: 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 \$150.00 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, insurance waiver fees, 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.

6. Reminder: Check out our website at <http://www.pismobeach.org/461/Lodging-Businesses> 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, Administrative Services Director
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