

RESOLUTION No. \_\_\_ (Clean Version with Highlights – Staff Recommended)

A RESOLUTION OF THE COMMISSIONERS OF THE TOWN OF DEWEY BEACH TO SUBMIT A PROPOSED CHARTER AMENDMENT BILL TO THE GENERAL ASSEMBLY TO CLARIFY THE APPLICATION OF THE MUNICIPAL ACCOMMODATIONS TAX ON RESIDENTIAL PROPERTIES AND TO AUTHORIZE IMPOSITION OF A LODGING EXCISE TAX ON PROPERTIES DEFINED IN SECTION 6101 OF TITLE 30 OF THE DELAWARE CODE.

WHEREAS, the Commissioners of the Town of Dewey Beach have a continuing need to identify fair and predictable sources of revenue to fund ongoing services promoting health, safety and welfare within the Town of Dewey Beach; and

WHEREAS, the Commissioners of the Town of Dewey Beach have identified the need to clarify that the existing municipal accommodations tax applies only to residential rentals; and

WHEREAS, the Commissioners of the Town of Dewey Beach have determined that imposing a lodging excise tax under Section 6101 of Title 30 of the Delaware Code is justifiable given the impact welcomed patrons of hotels and motels represent on the Town's infrastructure and its efforts to promote health, safety and welfare in the community; and

WHEREAS, various other municipalities have undertaken efforts to broaden the application of their existing accommodations tax and/or impose a lodging tax on hotels, motels and tourist homes through amendments of their respective Charters; and

WHEREAS, upon due consideration, the Commissioners of the Town of Dewey Beach have determined it advisable to clarify the application of its existing accommodation tax and to impose a lodging tax in accordance with the proposed provisions below set forth.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE TOWN OF DEWEY BEACH that a proposed amendment to its Town Charter provisions clarifying the application of the existing accommodations tax and authorizing imposition of a lodging excise tax be submitted by the Mayor to the General Assembly as follows:

“DELAWARE STATE HOUSE/SENATE  
150<sup>TH</sup> GENERAL ASSEMBLY  
BILL NO. \_\_\_\_\_

AN ACT TO AMEND THE CHARTER OF THE TOWN OF DEWEY BEACH RELATING TO A LODGING TAX.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend Section 23(a)16 of the Charter of the Town of Dewey Beach in accordance with the additions and strikeouts depicted below:

- ‘16. The Commissioners of the Town of Dewey Beach are authorized to levy and collect an accommodations tax upon the renting or leasing of residential property, excluding any room or rooms in a hotel, motel, or tourist home as defined in §6101 of Title 30 of the Delaware Code, located within the municipal boundaries of Dewey Beach, except that no accommodations tax for a residential rental shall be collected upon a valid rental agreement or valid lease agreement with an initial term of at least one (1) year. The accommodations tax on a residential rental shall be as set from time to time by the Commissioners of Dewey Beach, but shall not exceed three percent (3%) of the rent or lease amount unless approved by referendum.

Section 2. Amend Section 23(a) of the Charter of the Town of Dewey Beach by adding thereto a new paragraph to read as follows:

- ‘17. The Commissioners of the Town of Dewey Beach are authorized to levy and collect a lodging excise tax of no more than three percent (3%) of the rent, in addition to the amount imposed by the State, for any room or rooms in a hotel, motel or tourist home, as defined in §6101 of Title 30 of the Delaware Code, which are located within the boundaries of the Town of Dewey Beach. Such tax shall not be imposed before April 1, 2021, and the initial rate shall not exceed one and one-half percent (1.5%). The rate may be increased annually by no more than one-half percent (0.5%) to the maximum rate of three percent (3%).’

### SYNOPSIS

Section 1 of this charter amendment bill specifically excludes hotels, motels, and tourist homes from its existing accommodations tax. Section 2 expressly authorizes the Town to impose a lodging tax of up to 3% of room revenues on hotels, motels, and tourist homes with an initial rate not greater than 1.5% beginning no sooner than April 1, 2021.”

So Adopted this \_\_\_\_ day of \_\_\_\_\_ by the Commissioners of the  
Town of Dewey Beach, at least a majority of whom voted in the affirmative.

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Mayor TJ Redefer

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Scott Koenig, Town Manager