



Staff recommendations for revisions to VMC 3.24:

Add “rental cabins” to the definition of “public accommodation” in Section 3.24.010

- This is a Title 17 definition that was not captured when ORD 24-05 was drafted.

Substantially amend Section 3.24.120 – “Distribution of funds” to add clarity about how funds are appropriated and expended. Staff suggests at least:

- Strike in subsection 1 at least the following language “Up to one hundred percent of the gross funds may be made available for distribution.”
- Strike subsections 2 and 4 outlining the application process
- On subsection 3 Council input is needed on determining if revenues should continue to be specifically directed to economic development activities in code.

Look closely at the Section 3.24.090 “Suits for collection” and Section 3.24.110 “Civil penalties for violations”

- Look at the levels of penalty and interest to charge taking into account administrative ease and deterrence of violations.

Other amendments that City Council may consider:

Expand or limit the exemptions under 3.24.020 (A) (1) & (2).

- Currently only state and federal rents or rents paid by and employees of the public accommodation are exempted.
- Other jurisdictions have a variety of exemptions including work force housing, summer camps and not taxing other municipal government entities.

Adjust the tax rate set in VMC 3.24.020 (A).

- Currently set at 6%
- For the 13 Alaska communities who have a tax bed tax, **but no broader sales tax**, rates vary between 5% and 12% with the average being 9%
- Many jurisdictions have a general sales tax applied in addition to the bed tax.
- Some jurisdictions have no sales or use taxes at all.

Change the definition of “public accommodation” to include additional categories such as RVs or tents.

- Laws vary throughout the state with most codes, like Valdez’s, not addressing camping or RV parks. There are however some notable exceptions on each side of this.
- The Denali Borough uses the term “overnight accommodation” and explicitly notes “overnight accommodations may include campgrounds, tent sites, or motorhome facilities” and includes both “permanent and temporary” as well as “fixed or mobile.”
- The Mat-Su Borough includes “wall tents” in their definition of “overnight accommodation” and calls out accommodations used “as part of a recreation, hunting, fishing, hiking, wilderness back country, or other form of tour package.”
- The Kodiak Island Borough also specifically includes trailers, tents, charter boats and “other temporary structures” in their definition.
- Conversely, both the Fairbanks North Star Borough and City of Fairbanks specifically exempt motorhomes or tents from their accommodation taxes.