



San Luis Obispo County Tourism Marketing District (SLOCTMD)

As indicated in a previous notice, the final hearing on formation of the SLOCTMD was held June 10, 2015. At the hearing, the County Board of Supervisors adopted a resolution forming the SLOCTMD.

The assessment goes into effect on July 1, 2015. The assessment rate is one percent (1%) of gross short-term (stays for a period of 30 days or less) room rental revenue and is applied to any lodging establishment (hotel, motel, vacation rental, bed & breakfast and RV Park) that pays Transit Occupancy Tax (TOT). Stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty, stays by employees of Federal Credit Unions while on official credit union business, and stays pursuant to contracts executed prior to July 1, 2015, will not be assessed.

Pre-Existing Contract Exemption

The Management District Plan provides that revenue derived from stays pursuant to contracts executed prior to July 1, 2015 are exempt from assessment.

A stay is considered to be pursuant to a contract in the following circumstances:

- A written, signed contract between the lodging establishment and the client has been executed. The contract must provide for a specified number of rooms to be occupied for a certain number of nights. We might expect to see contracts like these for wedding parties or various group business.
- A contract between the lodging establishment and an Online Travel Agency (OTA) has been executed, and the customer stay has been booked and paid for through the OTA prior to July 1, 2015.
- A written FIT contract signed prior to July 1, 2015.

The following stays are *not* considered to be pursuant to a prior contract:

- Reservations.
- Stay(s) booked through an Online Travel Agency (OTA) that was booked, but not paid, prior to July 1, 2015.
- Contracts executed after July 1, 2015.

Rental Revenue

Any revenue subject to Transit Occupancy Tax (TOT) is also subject to the TMD Assessment. Gross rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes. Any other charges shall be considered gross room rental revenue only in accordance with the local transient occupancy tax.

Reporting of Assessment on TOT Form

Depending on the jurisdiction in which your business is located, the County or City will collect the assessment concurrently with transient occupancy tax. A new line item for the assessment will appear on the transient occupancy tax form effective July 1, 2015. Forms will be provided by your local jurisdiction, not by Visit San Luis Obispo County. Because the assessment is collected at the same time as transient occupancy tax, you may submit the assessment and transient occupancy tax in a single check.

Assessment Disclosure

If your business intends to pass this assessment on to your guests, please begin collecting it on July 1, 2015. The amount of assessment passed on to the guest must be separately stated from the amount of rent charged and any other applicable taxes, and each guest must receive a receipt for payment. Please identify this assessment as the "SLOCTMD Assessment" in a separate line item on the guests' folio.

If a business chooses to pass the assessment on to the guest, it is required that the assessment be disclosed as the "SLOCTMD Assessment." Some lodging establishments do not use computers and/or some lodging establishment computer systems do not allow for the customization of guest folio line items. In those instances, we suggest posting a notice at your registration desk. The following language may be used for the notice.

NOTICE TO GUESTS

The San Luis Obispo County Board of Supervisors created the San Luis Obispo Tourism Marketing District (TMD), effective July 1, 2015. The TMD placed a one percent assessment on room night sales. This one percent assessment is included in your bill in the (insert name of the specific line item as noted on guest folio/receipt) line item, along with mandated taxes.

Where Can I View the Management District Plan

The Management District Plan can be viewed at VisitSanLuisObispoCounty.com on the members page.