

ORDINANCE NO. 2025-130

AN ORDINANCE REPLACING CHAPTER 195 OF THE CODIFIED ORDINANCES OF THE CITY OF WILLOUGHBY, OHIO, TITLED, "TRANSIENT GUEST TAX", IN ITS ENTIRETY.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WILLOUGHBY, THE COUNTY OF LAKE, AND THE STATE OF OHIO:

SECTION 1. That Chapter 195 of the Codified Ordinances of the City of Willoughby, Ohio, titled, "Transient Guest Tax" is hereby amended in its entirety; said Chapter to read and provide as follows:

**CHAPTER 195
TRANSIENT GUEST TAX**

195.01 There shall be levied an excise tax on transactions by which lodging by a hotel, bed and breakfast, or short term rental is or is to be furnished to transient guests of three percent (3%) of the amount paid or to be paid by the transient guest for the lodging for the purpose of providing revenue with which to help meet the fiscal needs of the City.

195.02 DEFINITIONS. As used in this chapter, the terms, phrases, words and their derivatives shall have the meanings given in the next succeeding sections of this chapter. The singular shall include the plural, and the masculine shall include the feminine and the neuter.

- (a) **ADMINISTRATOR.** "Administrator" means the City Finance Director or designee.
- (b) **BED AND BREAKFAST.** "Bed and breakfast" means an owner-occupied private single-family residence which is a principal residence of the owner and the principal structure on the premises with bedrooms available for rent to the general public and with breakfast served at no additional cost.
- (c) **HOTEL.** "Hotel" means every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered for consideration to guests, in which five or more rooms are used for the accommodation of such guests, whether such rooms are in one or several structures.
- (d) **SHORT TERM RENTAL.** "Short term rental" means any residential dwelling unit, or part thereof, which is offered or held out to the public for rent on a hosting website, web or mobile application, or other online platform through which short term rentals are listed, advertised, solicited, or otherwise held out for rent; and for duration of occupancy of less than thirty (30) days. "Short term rental" does not include a room in a hotel or motel, as defined elsewhere in the Codified Ordinances of the City of Willoughby.

- (e) TRANSIENT GUESTS. "Transient guests" means persons occupying a room or rooms for sleeping accommodations for less than thirty (30) days.
- (f) VENDOR. "Vendor" means the person who is the owner or operator of the hotel, bed and breakfast, or short term rental and who furnishes the lodging.

195.03 PURPOSE, RATE AND APPLICATION OF TAX.

- (a) There is hereby levied an excise tax on transactions by which lodging by a hotel, bed and breakfast, or short term rental is or is to be furnished to transient guests of three percent (3%) of the amount paid or to be paid by the transient guests for the lodging for the purpose of providing revenue with which to help meet the needs of the City.
- (b) Such tax shall be known as the transient guest tax. This tax applies and is collectible at the time the lodging is furnished, regardless of the time when the price is paid. The tax does not apply to lodging furnished to the State or any of its political subdivisions.
- (c) For the purpose of the proper administration of this chapter and to prevent the evasion of the tax, it is presumed that all lodging furnished by hotels, bed and breakfasts, and short term rentals in the City to transient guests is subject to the tax until the contrary is established.

195.04 TRANSIENT GUEST TO PAY THE TAX.

- (a) The transient guest tax imposed by this chapter shall be paid by the transient guest to the vendor, and each vendor shall collect from the transient guest the full and exact amount of the tax payable on each taxable lodging. The tax required to be collected under this chapter shall be deemed to be held in trust by the vendor until paid to the Administrator, as provided in Section 195.06. If for any reason the tax due is not paid to the vendor, the Administrator may require that such tax be paid directly to the Administrator.
- (b) No exemption shall be granted except upon a claim therefor made at the time rent is collected and under penalty of perjury upon a form prescribed by the Administrator.

195.05 RECORDS; ADVERTISING.

- (a) The transient guest tax shall be stated and charged separately from the charge for the lodging and shown separately on any record thereof, at the time the occupancy is arranged or contracted and charged for, and upon every evidence of occupancy or any bill or statement or charge made for such occupancy issued or delivered by the vendor.
- (b) No vendor shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the vendor, or that it will not be added to the amount charged for the lodging, or that, if added, any part will be refunded, except in the manner provided in this chapter.

- (c) Each vendor of any hotel, bed and breakfast, or short term rental shall register with the City, and obtain from the City, a transient occupancy registration certificate, to be at all times posted in a conspicuous place on the premises. The certificate shall, among other things, state the following: (1) the name of the operator; (2) the address of the hotel, bed and breakfast, or short term rental accommodations; and (c) the date upon which certificate was issued.
- (d) Every vendor liable for the collection of payment to the City of any tax imposed by this chapter shall keep in reserve, for a period of three (3) years, all records as may be necessary to determine the amount of tax which the vendor may have been liable for the collection of and payment to the City, which records the Administrator shall have the right to inspect at all reasonable times.

195.06 RETURNS REQUIRED.

- (a) Each vendor shall, on or before the last day of the month, make and file a return for the preceding month on forms prescribed by the Administrator, showing the receipts from furnishing lodging, the amount of tax due from the vendor to the City for the period covered by the return and such other information as the Administrator deems necessary for the proper administration of this chapter. The Administrator may extend the time for making and filing returns. Returns shall be filed by delivering or mailing the same to the Administrator together with payment of the full amount of the tax shown to be due thereon.
- (b) The Administrator may authorize vendors whose tax liability is not such as to merit monthly returns, as determined by the Administrator upon the basis of administrative costs of the City, to make and file returns at less frequent intervals. Such authorization shall be in writing and shall indicate the intervals at which returns are to be filed.
- (c) All claims for exemption from the tax filed by transient guests with the vendor during the reporting period shall be filed with the return.
- (d) All returns and payments submitted by each vendor shall be treated as confidential by the Administrator and shall not be released by him except upon order of a court of competent jurisdiction or to an officer or agent of the United States, the State of Ohio, the County of Lake, or the City of Willoughby, for official use only, or as otherwise required under Ohio law.
- (e) If deemed necessary in order to insure the payment of the tax imposed by this chapter, the Administrator may require returns and payments to be made for other than monthly periods. The returns shall be signed by the vendor or his authorized agent.

195.07 REFUNDS.

The Administrator shall refund or grant credits to vendors for the amount of taxes paid illegally or erroneously or paid on any illegal or erroneous assessment where the vendor had not reimbursed himself from the transient guest. A transient guest may obtain a refund or credit for the amount of taxes paid illegally or erroneously, but only when the tax was paid by the

transient guest directly to the Administrator. No refund shall be paid unless the claimant establishes his right thereto by written records showing entitlement thereto and makes a claim in writing on forms furnished by the Administrator, stating under penalty of perjury the specific grounds upon which the claim is founded. Such claim shall be filed with the Administrator within three years of the date of payment.

195.08 FAILURE TO COLLECT AND REPORT TAX.

If any vendor fails or refuses to collect the transient guest tax or to file a return and to make a remittance of such tax or any portion thereof, as required by this chapter, the Administrator shall proceed in such manner deemed best to obtain information on which to base an estimate of the tax due. When the Administrator has such information as is obtainable upon which to base the assessment of any tax imposed by this chapter and payable by any vendor who has failed or refused to collect the same or to file a return and to make a remittance of the proper amount thereof, he shall proceed to determine and assess against such vendor the tax and penalty provided for in this chapter.

195.09 HEARINGS.

(a) In case such determination as provided for in this chapter is made, the Administrator shall give notice of the amount so assessed by serving it personally or by registered or certified mail. Such vendor may, within ten days after the serving or mailing of such notice, make application in writing to the Administrator for a hearing on the amount assessed. If application by the vendor is not made within the time prescribed, the tax and penalty determined by the Administrator shall become final and conclusive and immediately due and payable.

(b) If such application is made, the Administrator shall give not less than five days written notice in the manner prescribed in this section to the vendor to show cause at a time and place fixed in such notice why the amount specified therein should not be fixed for such tax and penalty. At any such hearing, the vendor may appear and offer evidence why such specified tax and penalty should not be so fixed. After such hearing, the Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed in this section of such determination and the amount of such tax and penalty. The amount determined to be due shall be payable after fifteen days.

195.10 APPEALS.

Appeals from any ruling or determination of the Administrator with respect to the amount of such tax and penalty shall be made as provided by law.

195.11 ACTIONS TO COLLECT.

Any tax required to be paid by a transient guest under the provisions of this chapter shall be deemed a debt owed by the transient guest to the City. Any such tax collected by a vendor which has not been paid to the City shall be deemed a debt owed by the vendor to the City. Any person owing money to the City under the provisions of this chapter shall be liable to an action brought in the name of the City for the recovery of such amount.

195.12 RULES AND REGULATIONS.

The Administrator shall have the power to adopt rules and regulations not inconsistent with the terms of this chapter for carrying out and enforcing the payment, collection and remittance of the transient guest tax, including but not limited to provisions relating to transactions and record keeping.

195.13 INTENT.

It is the intent of this chapter to levy an excise tax of three percent (3%) on transactions by which lodging by a hotel, bed and breakfast, or short term rental is or is to be furnished to transient guests as referred to and authorized by Ohio law. Accordingly, this chapter shall be construed to effectuate that purpose so as to be consistent with any requirement of law compliance with which is a prerequisite to the validity of the tax intended to be levied hereby.

195.14 SEVERABILITY.

If any sentence, clause, section or part of this chapter, or any tax imposed as specified herein, is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

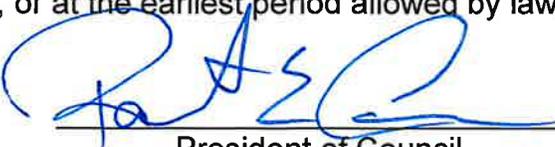
195.99 PENALTY.

- (a) Any vendor who fails to remit any tax imposed by this chapter within the time required shall pay a penalty equal to ten percent (10%) of the amount of the tax in addition to the tax.
- (b) In cases where a return has been filed in good faith, and an assessment has been paid within the time prescribed by this chapter, the Administrator may abate any charge of penalty or interest, or both.
- (c) In addition to any other penalty punished under this chapter, a violation of any provision of this chapter shall be a misdemeanor of the fourth degree on a first offense; each subsequent violation shall be a misdemeanor of the first degree.

SECTION 2. That the existing Chapter 195 of the Codified Ordinances of the City of Willoughby, Ohio, is hereby repealed in that said Chapter is superseded by this legislation.

SECTION 3. It is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were conducted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such actions were conducted in meetings open to the public in compliance with all legal requirements including Chapter 107 of the Codified Ordinances of the City of Willoughby.

SECTION 4. That this Ordinance shall be in full force and take effect immediately upon its passage by Council and its approval by the Mayor, or at the earliest period allowed by law.

Passed: January 6, 2026 
President of Council

Attest: Alison Nash
Clerk of Council

Date: 01.07.26 Approved: 
Mayor

Submitted to the Mayor for his approval on this 7th day of January, 2026.
Alison Nash
Clerk of Council