

Legislation Text

File #: 19-113, **Version:** 1

Presenter/Contact

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SUBJECT:

Discuss and consider approval of a contract with MUNIRevs, Inc d/b/a LODGINGRevs for a short-term rental compliance system and automated licensing and tax remittance system.

BACKGROUND / RATIONALE:

The City of New Braunfels had experienced consistent growth in occupancy tax revenue in recent history. However, towards the end of FY 2016-17 and throughout FY 2017-18, stagnation and decline during certain periods began to occur. Moreover, In recent months, there has been a noticeable variance in the growth in occupancy tax collection for the City when comparing local data to the state's data.

Currently, the City uses two different firms to support compliance monitoring and occupancy tax collection. To more efficiently and effectively manage resources, it was determined to be in the best interest of the City to utilize one qualified firm than can serve as a one stop shop for all occupancy tax collection, reporting and property discovery needs, allowing for the alignment and integration of the services.

On October 30, 2018, the City issued a solicitation for Hotel Occupancy Tax Collection and Compliance Services. Four (4) proposals were received on November 23, 2018. A team of staff from Finance, Planning, City Manager's Office, and the New Braunfels Chamber of Commerce-Convention and Visitors Bureau evaluated the proposals. After interviewing firms and reviewing their products, Staff is recommending LODGINGRevs as the full solution platform.

The LODGINGRevs system is called MUNIRevs and it will support both the City and the rental owners. LODGINGRevs staff are property compliance experts that will support the City's needs to gain property registration and tax remittance solutions. Their integrated, automated registration platform is a key aspect to making compliance simple for both the City and the property owners/managers. LODGINGRevs will design a customized compliance solution around the City's requirements. The platform can therefore be tailored to current and future requirements, ordinances and permitting/license processing.

The City is seeking to enter into an annual contract at a not-to-exceed cost of \$54,000 per year. The first year will require a one-time implementation fee of \$9,500, therefore, the first year will have a maximum cost of \$63,500. The contract will have two, one-year renewal options.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

Yes	Strategic Priorities:	9. Maintain fiscal stability of City operations. 21. Ensure sustainable quality development.
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FISCAL IMPACT:

As mentioned above, the maximum year one cost for these services is \$63,500, with a recurring annual cost of \$54,000. Funding to support these services will come from the 35% City portion of the hotel occupancy taxes collected. There are sufficient funds available from that allocation to support the recurring cost of this contract.

COMMITTEE RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of a contract with MUNIRevs, Inc d/b/a LODGINGRevs for a short-term rental compliance system and automated licensing and tax remittance system.