

Rehoboth Beach-Dewey Beach Chamber of Commerce

"The Nation's Summer Capital"

P.O. Box 216

Rehoboth Beach, DE 19971-0216

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March 7, 2019

Town of Dewey Beach Mayor, Commissioners and Town Manager
105 Rodney Avenue
Dewey Beach, Delaware 19971

Dear Dewey Beach Mayor, Commissioners and Town Manager,

I apologize that I am out of the area and unable to be present. Please read into the record the position of the Rehoboth Beach-Dewey Beach Chamber of Commerce opposing any additional Dewey Beach municipal lodging tax increase for hotels and motels.

The Chamber's reasons for opposition to any additional municipal accommodation tax is as follows:

- Current contributions – hotels and motels contribute directly to both the Town's well-being and general fund in addition to the 8% lodging tax that has been collected for decades by all the hotels and motels in Sussex County for the State.
 - Per requirements by the Fire Marshal, Board of Health, OSHA and Workplace Safety, etc., hotels and motels employ staff and security to monitor and serve guests. The efforts made by hotels and motels to maintain a safe and friendly environment for visitors reduces the need for police and other Town services.
 - Through Town license fees, hotels pay a base rate plus a per room fee which contributes a higher rate to the Town compared to other businesses in Dewey Beach.
 - The 8% lodging tax is returned to the State and provides funding for beach replenishment, the State's General Fund, State Tourism, Southern Delaware Tourism, and tourism advertising/ marketing and fulfillment for both Dewey Beach & Rehoboth Beach. No part of the 8% is allocated to be retained by the hotels or motels; they are a collection partner only.
- Unfair disadvantage – the 11 hotels and motels within the municipality will be at a disadvantage versus those beyond the municipality (i.e. Route One) as well as short-term rentals within Town limits.
 - Short-term rentals can charge a lower rate to the customer, have less enforcement and less regulation, and require more Town services.

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- Detrimental Timing - the timing of any increased accommodation tax is critical since many reservations for hotels and motels have already been made for the 2019 season.
 - Hotels and motels in Dewey Beach will be pressed to produce funds to cover the tax increase.

It is imperative that the Mayor, Commissioners and Town Manager take the provided points into consideration as they discuss any additional municipal lodging tax increase for hotels and motels.

Sincerely,



Carol Everhart
President/CEO