# T City Transient Occupancy Tax

## Ballot question

"Shall the measure increasing the existing transient occupancy tax ("Hotel Tax"), paid only by hotel/short-term rental guests, by 2%, from 10% to 12%, and expanding the tax to also include those staying in campgrounds and recreational-vehicle parks within the City of Sonora, providing approximately an additional $80,000 annually toward addressing the impacts of tourism on City services, including law enforcement, emergency response, roads, and other general services, until ended by City Council or City voters, be adopted?"

## What your vote means

| YES | NO |
|---|---|
| A "YES" vote on Measure T will increase the hotel tax rate to 12% and expand the hotel tax to apply to guests staying in campgrounds and recreational vehicle parks within the City. | A "NO" vote on Measure T will reject the increase and expansion of the hotel tax. |

## For and Against Measure T

| FOR | AGAINST |
|---|---|
| s/ Ann Segerstrom and Colette Such<br>City of Sonora Councilmembers | No argument was filed against Measure T |

# Local ballot measures: Measure T

## Impartial Analysis

Douglas L. White, City Attorney**,** City of Sonora

Measure T seeks voter approval to increase the City of Sonora's (the "City") transient occupancy tax rate (commonly referred to as the "hotel tax") by 2% and expands the tax to apply to guests staying in campgrounds and recreational vehicle parks within the City.

Currently, the City's hotel tax rate is 10%, and does not apply to those staying in campgrounds and recreational vehicle parks within the City. If approved, Measure T will increase the City's hotel tax rate to 12%, and guests staying in campgrounds and recreational vehicle parks will be subject to the hotel tax. Measure T will be ongoing until ended by the City Council or City voters. Measure T will not become law unless approved by a simple majority of voters. The hotel tax cannot be increased in the future without voter approval.

State law authorizes the City to charge a hotel tax. The hotel tax currently applies to guests of hotels, motels, and similar short-term lodgings, when guests stay for a period of 30 days or less. Operators of short-term lodgings or their agents collect the hotel tax when guests pay for their rooms and then pay it quarterly to the City.

The City Council placed Measure T on the ballot primarily to address the impacts tourism has on City services, including law enforcement, emergency response, roads and other general services. If approved, the City expects Measure T to generate approximately an additional $80,000 annually. Measure T proposes an ongoing general tax, which may be used by the City for any lawful general governmental purpose.

Measure T was placed on the ballot by action of the City Council, in accordance with California Constitution Article XIII C, Government Code section 53720 et seq. and Elections Code section 9222.

A "YES" vote on Measure T will increase the hotel tax rate to 12% and expand the hotel tax to apply to guests staying in campgrounds and recreational vehicle parks within the City.

A "NO" vote on Measure T will reject the increase and expansion of the hotel tax.

# Local ballot measures: Measure T

## Fiscal Impact Statement

**Chris Gorsky, Administrative Services Director**

This ballot measure, if adopted by City voters, would increase the City's Transient Occupancy Tax (TOT) rate to a total of 12 percent and extend the tax to campgrounds and recreational vehicle parks. The City's TOT is currently levied at a rate of 10 percent, which generated approximately $502,000 in Fiscal Year 2018-19.

Based on the current TOT revenue estimate at the 10 percent rate, the proposed increase could generate additional revenue in excess of $80,000 into the City's General Fund. Since this proposition would become effective in the second half of Fiscal Year 20-21, it would generate approximately $40,000 thousand in additional revenue in Fiscal Year 20-21.

# Local ballot measures: Measure T

Arguments in support of or in opposition to the proposed laws are the opinions of the authors.

## Argument for Measure T

YES ON **T** – INCREASE THE TRANSIENT OCCUPANCY TAX BY TWO PERCENT (2.0%), RAISING AN ESTIMATED $80,000 TO HELP SONORA FUND ESSENTIAL CITY SERVICES

KEEP CITY SERVICES AND INFRASTRUCTURE OPERATING WITHOUT RAISING TAXES ON CITY RESIDENTS BY VOTING YES ON MEASURE T. The City is experiencing overwhelming budget challenges with COVID 19. Measure T is a low impact revenue source that can mitigate cost cutting measures.

MEASURE T ASKS HOTEL AND VACATION RENTAL (VRBO AND AIRBNB) GUESTS TO PAY $2 MORE PER $100 SPENT. THESE GUESTS DRIVE ON CITY STREETS, VISIT CITY PARKS, AND MAKE USE OF CITY SERVICES. This increase will ensure that the City can continue to provide the expected level of service to both residents and visitors.

The City's current transient occupancy tax ("TOT") is 10%. TUOLUMNE BOARD OF SUPERVISORS IS PROPOSING TO RAISE THE COUNTY TOT TO 12% IN PARITY WITH CALAVERAS AND MARIPOSA COUNTIES TUOLUMNE COUNTY'S MEASURE TO INCREASE TOT REVENUE IN THE UNINCORPORATED AREA IS ALSO ON THIS BALLOT. MEASURE T WILL ALIGN THE CITY'S TOT PERCENTAGE WITH THE COUNTY'S.

The City's TOT revenue has been disrupted by pandemic travel and gathering restrictions. As family travel begins to increase, MEASURE T WILL PROVIDE AN ADDITIONAL $80,000/YEAR FOR VITAL CITY SERVICES—police and fire protection, infrastructure maintenance, and public works—services that benefit residents and visitors alike.

MEASURE T IS A TIMELY WAY TO TACKLE OUR CITY'S BUDGET SHORTFALLS. MEASURE T DOES NOT RAISE TAXES ON CITY RESIDENTS. MEASURE T ONLY ENSURES THAT VISITORS PAY FOR THEIR SHARE OF CITY SERVICES.

Measure T can help to maintain public safety and avoid cutting services for City residents. MAINTAIN A QUALITY OF LIFE IN THE CITY AND THE COUNTY IN CHALLENGING TIMES. **VOTE YES ON MEASURE T.**

s/ Ann Segerstrom and Colette Such,
City of Sonora Councilmembers

## Argument Against Measure T

No argument was filed against Measure T