



00 City of San Clemente, Increase in “Hotel” Guest Tax

Shall Ordinance No. 1627 be adopted to increase the transient occupancy tax (“TOT”) from its current rate of 10 percent to 13 percent in perpetuity, for an estimated annual increase of \$570,000?

What your vote means

YES	NO
<p>A “Yes” vote on the measure will increase the TOT from 10 to 13 percent, clarify the definition of “hotel” by including additional examples of structures that might be a “hotel,” and authorize the City Council to refine the TOT ordinance without voter approval as long as the changes do not result in an extension or increase in the tax.</p>	<p>A “No” vote on the measure will leave the TOT rate, the “hotel” definition, and the City Council’s authority unchanged.</p>

For and against

FOR	AGAINST
<p>Bob Baker Mayor</p> <p>Kathy Ward Mayor Pro Tem</p> <p>Tim Brown Council Member</p> <p>Lori Donchak Council Member</p> <p>Chris Hamm Council Member</p>	<p>No argument was filed against Measure 00</p>

Ballot Measures-00Full Text of Measure 00
City of San Clemente

ORDINANCE NO. 1627

AN ORDINANCE OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AMENDING CHAPTER 3.24 OF THE MUNICIPAL CODE TO INCREASE THE TRANSIENT OCCUPANCY TAX RATE TO 13 PERCENT AND TO CLARIFY THE DEFINITION OF "HOTEL," SUBJECT TO APPROVAL OF A MAJORITY OF THE ELECTORS VOTING ON THE MEASURE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD TUESDAY, NOVEMBER 8, 2016

WHEREAS, under California Revenue and Taxation Code section 7280 *et seq.*, the City of San Clemente ("City") has authority to levy a transient occupancy tax ("TOT") on the privilege of occupying a hotel, including a short-term lodging unit or STLU, as defined in Chapter 3.24 of the Municipal Code; and

WHEREAS, the TOT is a general tax, the proceeds of which are deposited into the City's general fund. The general fund pays for essential City services such as police protection, fire and paramedic services, street operations and maintenance, library services, parks and recreation services, and general municipal services to the public; and

WHEREAS, many other municipalities have higher TOT rates than San Clemente does, such as the city of Malibu and Los Angeles County (12 percent), the city of San Diego (12.5 percent between TOT and a supplemental transient-lodging assessment), and the cities of Los Angeles, Santa Monica, and San Francisco (14 percent); and

WHEREAS, the TOT rate has not increased in over 15 years; and

WHEREAS, the City desires to approve an increase of the TOT rate from the existing 10 percent to 13 percent for general-tax purposes; and

WHEREAS, the proposed increase has been submitted to the voters at the general municipal election on Tuesday, November 8, 2016; and

WHEREAS, all other legal prerequisites to the adoption of this ordinance have occurred.

NOW, THEREFORE, the people of the City of San Clemente do ordain as follows:

Section 1: The definition of "hotel" in section 3.24.010 of the Municipal Code is amended to read in its entirety as follows:

"Hotel" means any structure, or any portion of any structure, that is occupied or designed for occupancy for short term, temporary, or impermanent lodging or sleeping purposes, including any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, vacation rental, boarding house, rooming house, apartment house, dormitory public or private club, bed-and-breakfast, private single-family residence, private multi-family residence, condominium, townhouse, guest house, mobile home or house trailer at a fixed location, or other similar structure or portion thereof. Any reference in this chapter to "hotel" includes "STLU" (defined in this section), unless otherwise indicated.

Section 2: Section 3.24.020(A) of the Municipal Code is amended to read in its entirety as follows:

For the privilege of occupancy in any hotel, including an STLU, each transient is subject to and must pay a general tax in the amount of 13 percent of the rent charged by the operator. Such tax constitutes a debt owed by the transient to the City, which is extinguished only by payment. The transient must pay the tax to the operator of the hotel, including an STLU, when the rent is paid. The tax is a general tax and all revenue from the tax shall be allocated to the City general fund.

Section 3: Section 3.24.020(E) is added to the Municipal Code to read in its entirety as follows:

Without voter approval, the City Council may repeal or amend any part of this chapter in any manner that does not result in an extension of or an increase in the tax above the rate approved by the voters, as enacted in subsection 3.24.020(A). If the City Council repeals any part of this chapter, it may subsequently reenact it without voter approval as long as the reenacted ordinance does not result in an extension or increase in the tax that is duly approved by the voters.

Section 4: If any part of this ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining parts of the ordinance. The City declares that it would have adopted this ordinance, and each part of it, irrespective of the possibility that some part or parts of it might be declared invalid or unconstitutional.

Section 5: This ordinance relates to the levying and collecting of the City transient occupancy tax, which is a general tax, so the ordinance only takes effect if it is approved by a majority of the voters that vote on the ordinance at the November 8, 2016 General Municipal Election. If so approved, the ordinance becomes effective 10 days after the City Council declares and certifies the results of the election by resolution. The TOT shall be collected in the manner provided pursuant to Chapter 3.24 of the City Municipal Code.

Section 6: The City Clerk is hereby directed to publish this ordinance at least once, within 15 days after the election results are certified, in a newspaper of general circulation published and circulated in the City of San Clemente.



Ballot Measures-00

Impartial Analysis City of San Clemente Measure 00

Measure 00 would:

- (1) increase the San Clemente's transient occupancy tax (TOT) from the current 10 percent to 13 percent;
- (2) clarify the existing scope of the definition of "hotel" in the TOT ordinance by including additional examples of structures that might constitute a "hotel" by virtue of a short-term occupancy;
- (3) authorize the City Council to repeal or refine the TOT ordinance without seeking voter approval as long as the repeal or amendment does not result in an extension or increase in the tax that the voters approved.

The TOT is collected from persons who stay in hotels, motels, and similar lodging for fewer than 30 days. The existing tax is 10 percent of the hotel charge, and the passage of this measure would increase the tax by 3 percent. These taxes are collected by the hotel operator and typically transferred to the City on a quarterly basis. The TOT is a general tax, and the funds collected are authorized by law to be used for general government purposes and basic services, such as police, fire, public works, parks, and recreation programs. An increase in San Clemente's TOT from 10 percent to 13 percent is estimated to generate an additional \$570,000 in annual tax revenue.

State law requires general taxes to be approved by a majority of those voting on the tax measure. This measure has been placed on the ballot by the City Council.

A "YES" vote on the measure will increase the TOT from 10 to 13 percent, clarify the definition of "hotel" by including additional examples of structures that might be a "hotel," and authorize the City Council to refine the TOT ordinance without voter approval as long as the changes do not result in an extension or increase in the tax.

A "NO" vote on the measure will leave the TOT rate, the "hotel" definition, and the City Council's authority unchanged.

s/ Scott C. Smith
San Clemente City Attorney



Argument in Favor of Measure 00

Increasing TOT for the City of San Clemente

Approving Measure 00 will add much needed revenue to the City General fund to be used for public safety and other services that residents, businesses and visitors use each day. The current 10% Transient Occupancy Tax (TOT), commonly called "hotel or bed tax," is paid only by visitors who stay in local hotels/short term rentals for 30 days or less. The San Clemente City Council unanimously supports an increase of the TOT by 3%, putting San Clemente on par with other coastal California cities' rates. This increase will add an estimated \$570,000 in annual revenue to the General Fund. San Clemente has not increased its TOT in 15 years, despite substantial growth and an estimated 2 million visitors per year to our beaches. This growth presents many challenges. Despite the city's best efforts to control its public safety expenditures, our costs for public safety contracts continue to increase at unsustainable levels. The recent passage of Prop 47 and AB 109 has put an even greater burden on local law enforcement and cities alike as they grapple with increasing crime rates – which requires cities to spend more on public safety to address the issue. Our parks, trails and beaches continue to offer a world-class experience to visitors and residents alike, but costs are also increasing as we bring new amenities online every year. Because the San Clemente City Council is committed to a balanced budget and strong fiscal health, we must find other revenue sources to fund these increases. The City Council unanimously agrees that San Clemente will use these additional funds from the TOT increase to maintain and enhance public safety services, parks, and our critical City infrastructure. We respectfully request a "Yes" vote on Measure 00, on November 8th to help San Clemente preserve these key services.

s/ Bob Baker
Mayor

s/ Kathy Ward
Mayor Pro Tem

s/ Tim Brown
Council Member

s/ Lori Donchak
Council Member

s/ Chris Hamm
Council Member

No argument against this measure was submitted.