

TRANSIENT OCCUPANCY TAX (TOT) INCREASE

BALLOT MEASURE PROPOSAL
FOR NOVEMBER 2014

BOARD OF SUPERVISORS

APRIL 22, 2014



TOT BASICS

- **TOT = paid percentage of hotel room charge paid for the privilege of occupying**
- **County of Santa Barbara TOT rate = 10%**
- **City of Santa Barbara, Carpinteria, Goleta, Solvang and Buellton currently have 12% TOT**
- **Vote countywide, but this measure would only apply in unincorporated areas**



PROPOSED ORDINANCE

- **Increases tax to 12% or 12.5%**
- **Tax collection & administration is the same**
 - Collected by Treasurer-Tax Collector
 - Deposited by Auditor-Controller
- **General Tax for general government purposes**
- **Available to Board for annual appropriation**



MEASURE LANGUAGE

Shall an ordinance to amend Section 32-12 of the Santa Barbara County Code to increase the Transient Occupancy Tax rate from ten percent (10%) to twelve percent (12%) (*or 12.5%*) upon transients occupying defined hotels located only within the unincorporated areas of the County be adopted?



TOT REVENUE ACTUAL & ESTIMATES

| | Current 10% TOT | Proposed 12% TOT | Proposed 12.5% TOT |
|---|--------------------|---------------------|-----------------------|
| FY12-13 Actual | \$6,780,490 | | |
| FY13-14 Estimated Actual | \$6,994,000 | | |
| FY14-15 Projected | \$7,193,000 | \$7,831,000 | \$7,990,000 |
| FY15-16 Projected | \$7,553,000 | \$9,063,000 | \$9,441,000 |
| Net new FY15- 16 revenue | | \$1,510,000 | \$1,888,000 |



TOT PROCESS

- Introduce ordinance = Today**
- Adopt ordinance = May 6, 2014**
 - Submits ballot measure – Resolution directs Auditor to prepare fiscal impact statement
 - Counsel prepares impartial analysis
- Submit Argument in Favor = July 14 - 23, 2014**
- Election Day = November 4, 2014**
- New rate effective January 1, 2015**



RECOMMENDED ACTIONS

- Select Option #1 to place 12% TOT Rate on the November ballot by moving recommended actions A through E**
- Select Option #2 to place 12.5% TOT Rate on the November ballot by moving recommended actions F through J**
- If you move actions E or J, you may appoint members to draft arguments for future Board consideration**



QUESTIONS?