

# Transient Occupancy Tax (TOT) Increase

Second Reading of Ordinance and  
Adoption of Resolution

July 9, 2024

## Purpose of Today

Board approval of necessary actions to propose an increase in Transient Occupancy Tax (TOT) from 12% to 14% on the November 2024 Ballot:

- 1) Adopt (Second Reading) of an ordinance amending relevant sections of County Code (Section 32-12 of the Santa Barbara County Code)
- 2) Adopt a Resolution with the proposed ballot language; and
- 3) Make CEQA findings

Receive survey results from June 2024 TOT poll

# Background

## What is TOT?

- Tax generated by visitors who pay the rate when staying at any lodging facility (such as a hotel/motel or vacation property rental) for 30 days or less within the unincorporated areas of the County.






## Rate History

- Current rate of 12% was approved by the voters in November 2016
  - Increase of 2% from 10% to 12%
  - Effective January 1, 2017
- Rate was at 10% from 1990 to 2016
- First established in 1978 at 8%

# Unincorporated County TOT vs. Cities TOT

	Current TOT Rate	FY 22-2023 Collected	Expected Ballot Measure Nov 2024	Additional Tax Revenue
Santa Barbara	12%	\$26,213,440	--	
Goleta	12%	\$13,884,890	--	
Carpinteria	12%	\$3,485,465	15%	\$750,000
Solvang	12%	\$6,311,438	14%	\$1,050,000
Buellton	12%	\$4,220,959	14%	\$630,000
Lompoc	10%	\$2,435,000	--	
Santa Maria	10%	\$4,340,132	--	
Guadalupe	6%	\$0	--	
<b>County of SB unincorporated</b>	<b>12%</b>	<b>\$17,202,198</b>	<b>14%</b>	<b>\$2.95 million</b>

# TOT Survey Methodology

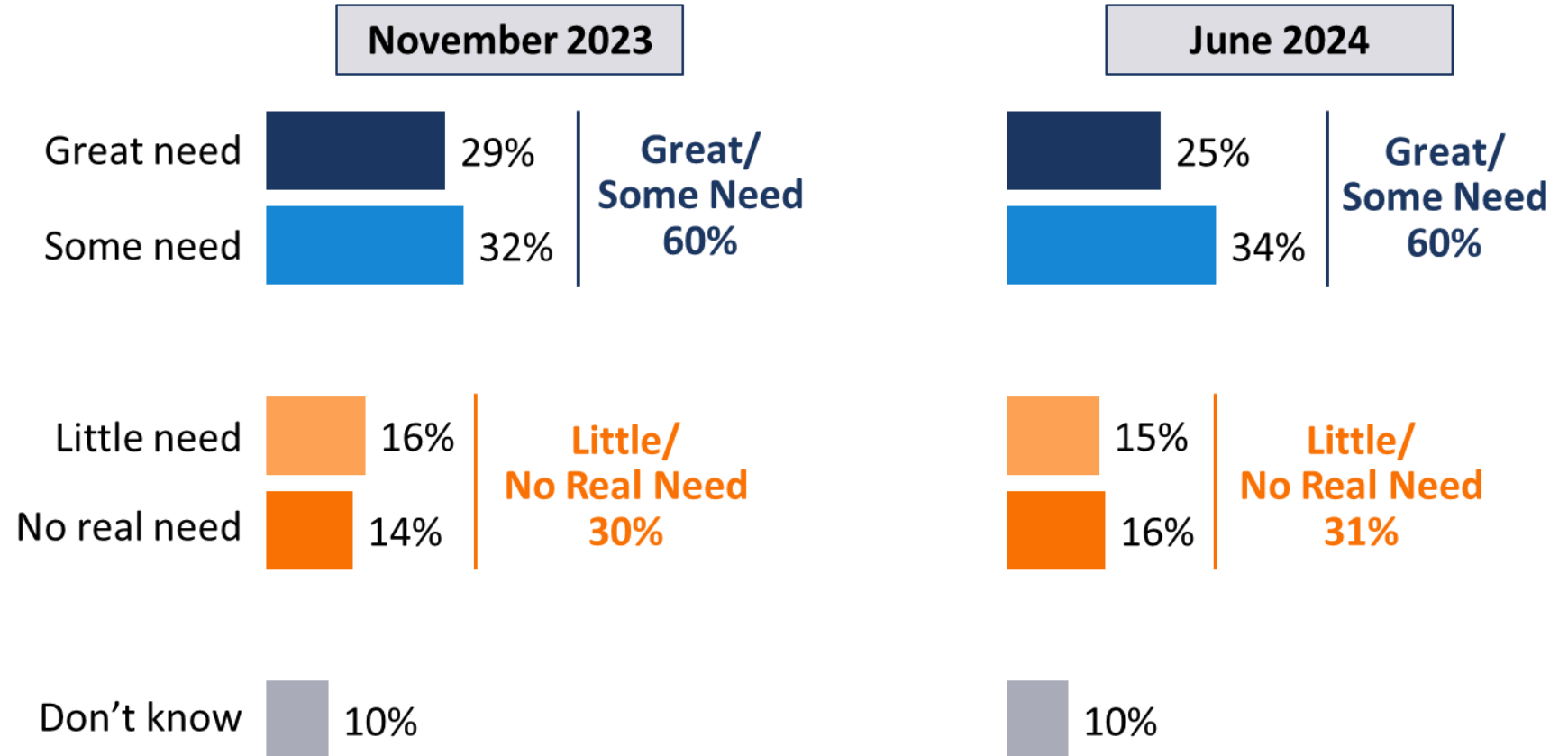
<b>Dates</b>	June 17-23, 2024
<b>Survey Type</b>	Dual-mode Voter Survey
<b>Research Population</b>	Santa Barbara County Likely November 2024 Voters
<b>Total Interviews</b>	653
<b>Margin of Sampling Error</b>	Countywide Sample: $\pm 4.0\%$ at the 95% Confidence Level
<b>Contact Methods</b>	 Telephone Calls  Email Invitations  Text Invitations
<b>Data Collection Modes</b>	 Telephone Interviews  Online Interviews
<b>Survey Tracking</b>	November 2023
<b>Languages</b>	English & Spanish



# Polling Results

## Consistent with the survey conducted in November, most voters believe the County has a significant need for additional funding.

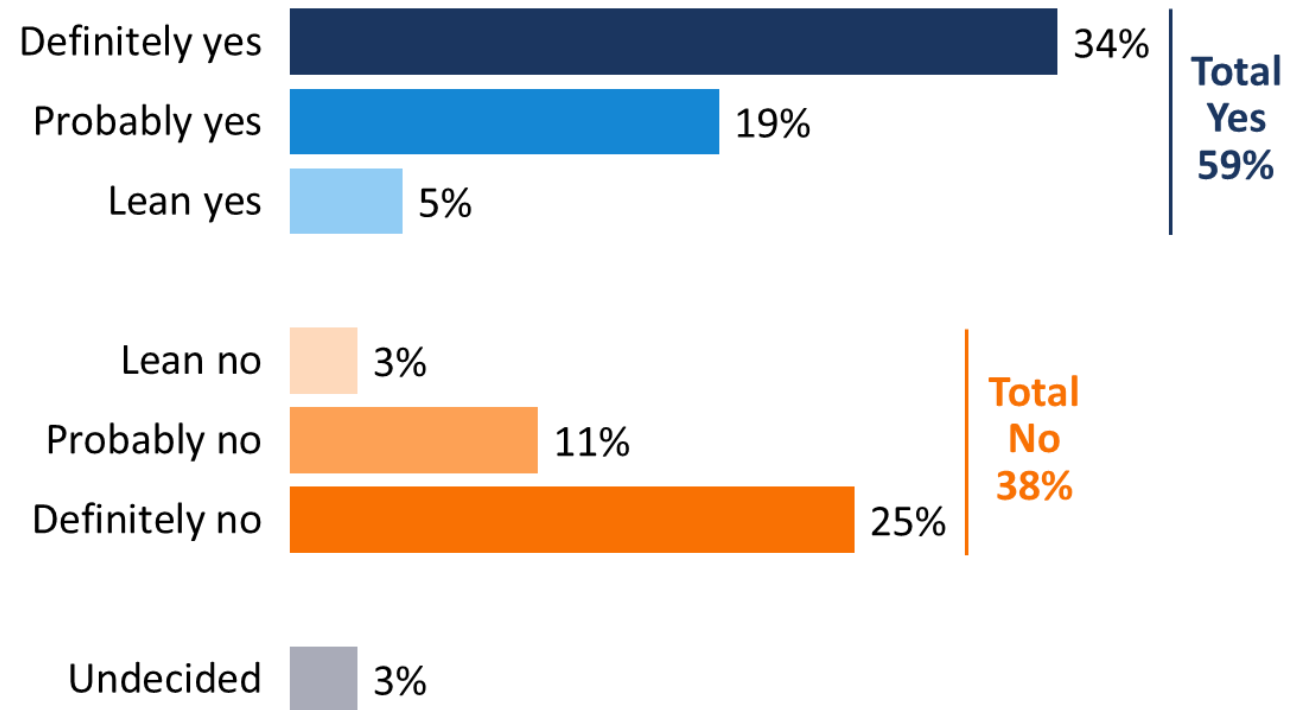
*In your personal opinion, do you think Santa Barbara County government has a great need, some need, a little need, or no real need for additional funds to provide the level of services that residents in your area need and want?*



# Polling Results

## Testing example ballot language wording, six in ten voters approve of raising the County's TOT, including a third who say they would vote "definitely yes".

*If there were an election today, would you vote "yes" in favor of this measure or "no" to oppose it?*



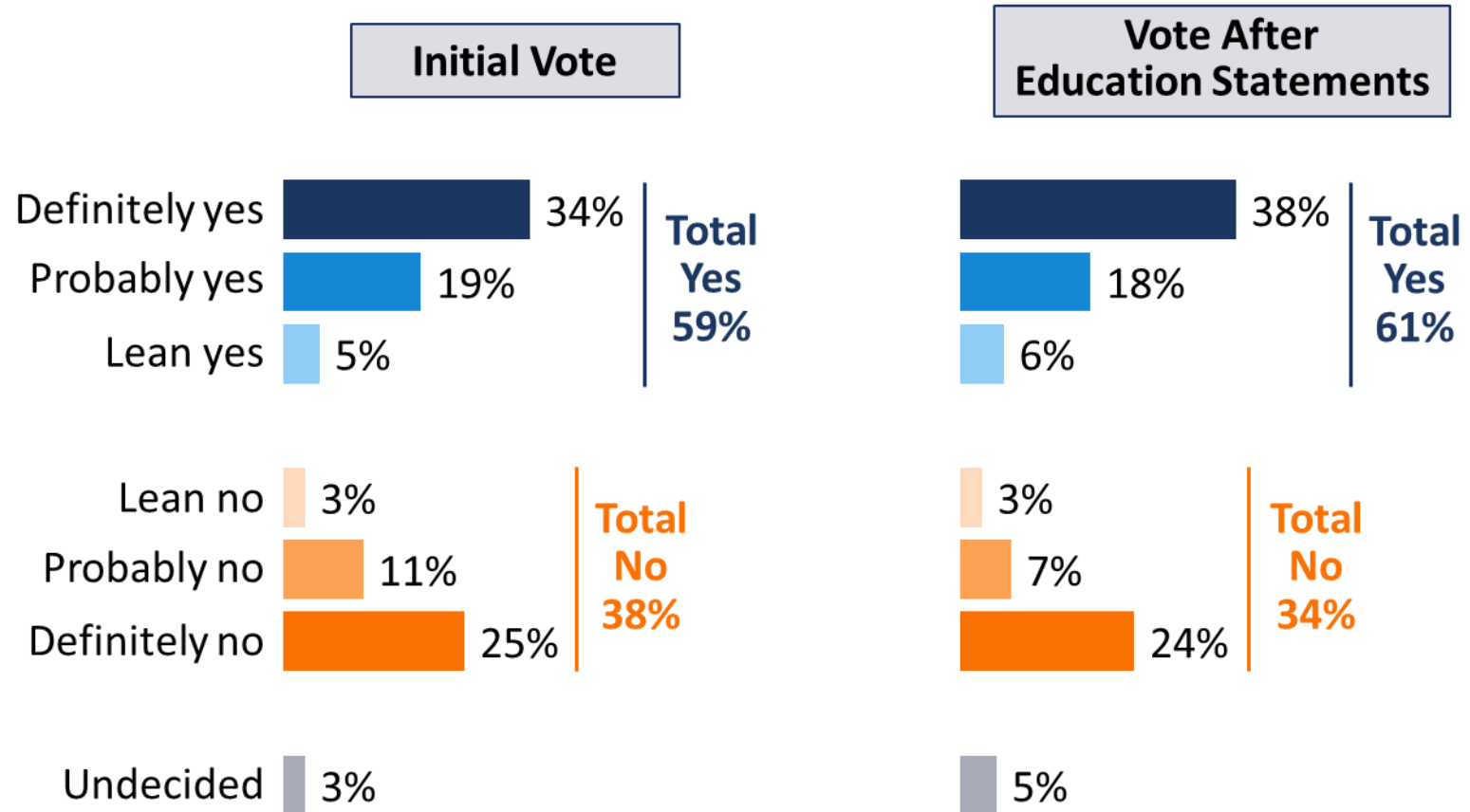
County  
Executive  
Office



# Polling Results

## Overall support for the County TOT measure, nearly four in ten, vote “definitely yes” after learning how revenues will address local funding priorities.

*TOT Ballot Measure*



County Executive Office



# Proposed Ballot Language

**SANTA BARBARA COUNTY ESSENTIAL COMMUNITY SERVICES MEASURE.** To fund local services such as: maintaining 911, emergency communications, gang prevention; repairing deteriorating bridges, potholes, roads, transportation infrastructure; protecting groundwater; addressing homelessness, and general county services/purposes, shall the ordinance increasing Santa Barbara County's Transient Occupancy Tax (paid only by hotel/ short-term rental guests), in unincorporated areas (excluding cities), from 12% to 14%, providing approximately \$3,000,000 annually until ended by voters; requiring public audits; all funds locally controlled, be adopted?



# Conclusions

- The current mood of Santa Barbara County voters is similar to last fall – sixty percent voters think County government needs additional funding.
- Six in ten voters support a proposed measure to raise the County’s TOT after being presented with a simulated 75-word ballot measure summary.
- The survey results show that voters continue to support the County TOT measure even if their local city has a TOT measure on the ballot, or a measure to increase the city’s sales tax.
- County voters prioritize using TOT revenues to invest in County services and identify a variety of highly important priorities, such as 911 response, addressing homelessness, road and infrastructure repair, and protecting groundwater supplies.
- Voters are receptive to the County’s need to provide effective services during natural disasters, maintain funding for local youth programs, ensure effective oversight and accountability of TOT funds, and upgrade vital local infrastructure.
- In sum, these findings suggest a Santa Barbara County TOT measure to be viable for the November 2024 election as a majority of voters regard it to be an appropriate and effective way to provide additional funding for local services.

# Next Steps

- July 23 - August 1 – Election Deadline
  - Period for submitting direct arguments
- August 12 – Election Deadline
  - County Counsel Impartial Analysis
- August 15 – Election Deadline
  - Auditor-Controller Fiscal Impact Statement

## Recommendation Action

- a) Adopt (Second Reading) an ordinance amending Section 32-12 of the Santa Barbara County Code to increase the Transient Occupancy Tax rate from the current level of twelve percent (12%) to fourteen percent (14%) of the rent charged in the unincorporated areas of the County; and
- b) Adopt a Resolution submitting the proposed Ordinance and ballot language proposing to increase the transient occupancy tax rate to fourteen percent (14%) to the electorate for approval, and requesting and ordering consolidation with the November 5, 2024 General Election; and
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA Guidelines because they consist of the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

A blue-tinted landscape featuring rolling hills and mountains in the background. The foreground shows some dark, silhouetted vegetation. The overall scene is serene and expansive.

# QUESTIONS