

ORDINANCE INCREASING TRANSIENT OCCUPANCY TAX
(TOT) FROM 10% TO 14% AND SUBMITTING A BALLOT
MEASURE TO THE ALAMEDA VOTERS CONCERNING THIS
INCREASE

July 5, 2022

Presented by Michael Roush, Special Counsel

TRANSIENT OCCUPANCY TAX

- Imposed on guests staying at hotels, motels, short term rentals
- Collected by hotel operators
- Current rate is 10% (September 1990)
- Last four years, around \$ 2 million
- Deposited into General Fund for essential City services

- Increase to TOT percentage (10% to 14%) needs voter approval
- Election where City Councilmembers are elected
- Parity with neighboring jurisdictions
- If voters approve, estimated TOT increase--\$500,000
- Would help maintain structurally balanced budget

BALLOT QUESTION

- Shall an ordinance be adopted increasing the City of Alameda transient occupancy tax from 10% to 14%, paid by hotel/ motel/ short-term rental guests, generating approximately \$700,000 to \$910,000 annually until ended by voters, for general government use such as maintaining 9-1-1 emergency response times, supporting fire/ paramedic/ police services, repairing potholes/ deteriorating streets and maintaining clean/ safe parks/ beaches?
- Question cannot exceed 75 words and must remain neutral.

BALLOT ARGUMENTS

- If Measure placed on ballot, Council may draft argument by:
 - Whole body at open meeting
 - Committee approach
 - Not submit

OUTREACH

- Informational mailers to residents
- Web and social media content
- No advocacy

RECOMMENDATION

- Adopt the ordinance to increase the TOT from 10% to 14%
- Adopt the resolution placing the ordinance on the November ballot
- Determine if Council will prepare arguments/rebuttals