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City Clerk's Office
City of Santa Clara

TRANSIENT OCCUPANCY TAX MEASURE ____

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The Santa Clara City Council has placed Measure _ on the ballot which, if approved by the voters, would amend City Code Section 3.25.030 to allow the City Council, by Resolution, to increase the Transient Occupancy Tax ("TOT"), often called a "hotel tax," by up to an additional 4%. The current TOT rate of 9.5% went into effect in July 1992. If passed, the City Council could increase the rate from time to time up to a maximum of 13.5%.

The TOT is only charged upon stays of less than 30 days at hotel, motel, boarding house, or other such short-term lodging establishment. The tax is paid by the customer as a percentage of the room price and is collected by the operator of the lodging establishment for remission to the City. The proposed measure would not alter the process used to administer the tax program.

The revenues derived from the TOT are paid into the City's general fund for unrestricted uses. The City's general fund can be used for police and fire, parks and recreation, streets and sidewalks, and other general municipal services. An increase in the TOT from 9.5% to 13.5% is expected to generate up to approximately \$7 million in additional annual general fund revenues, based upon pre-pandemic calculations and assumptions. The actual revenue derived from the increased TOT rate is dependent upon the number of lodging nights booked by hotel guests or other such customers.

A "Yes" vote on Measure _ would adopt the amendment to the Transient Occupancy Tax Ordinance. A "No" vote would not adopt the amendment to the Transient Occupancy Tax Ordinance.

The above statement is an impartial analysis of Measure _ . The full text of the measure is available at www.santaclaraca.gov or by calling the City Clerk's Office at 408-615-2220, and a copy will be sent to you at no cost.

Brian Doyle,
City Attorney