



# Transient Occupancy Tax Funding

Board of Supervisors Meeting  
March 13, 2018

# Transient Occupancy Tax (TOT)

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- 10% tax on the rent charged by the operator for occupancy of hotels, motels, inns, or other lodging (including vacation home rentals and bed and breakfasts), except a camping site or a space at a privately-owned or State Park campground or recreational vehicle park.

# TOT Sources

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## Estimated:

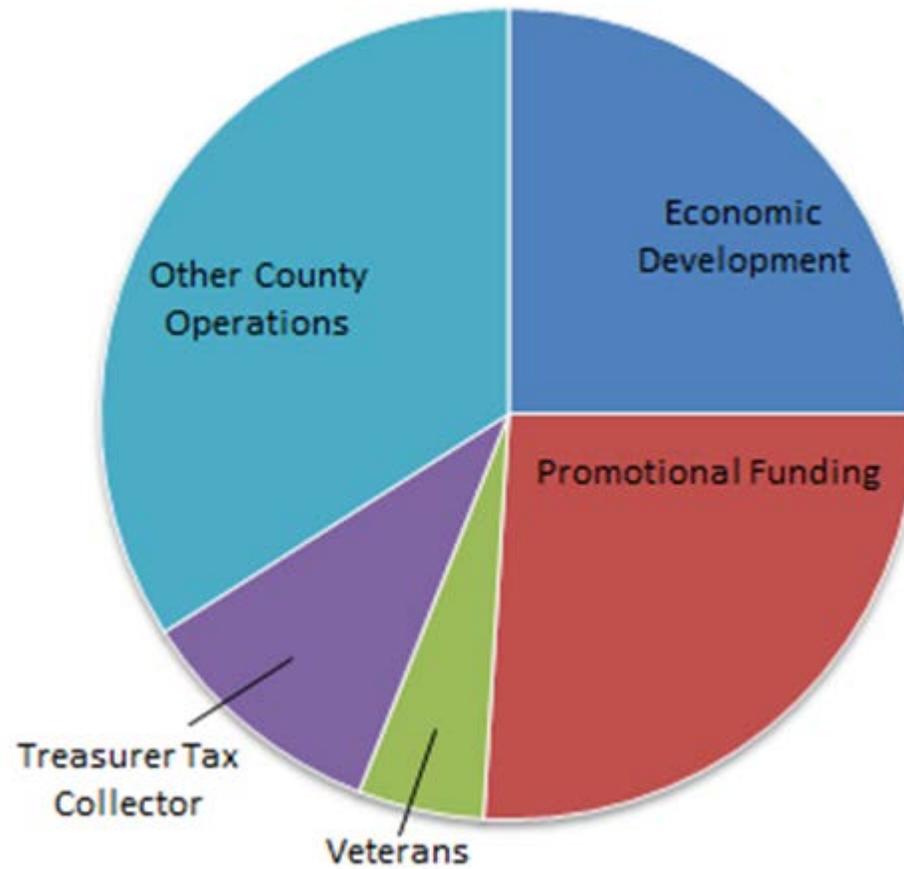
- ~20 hotels/motels/inns
- ~154 Cabins within privately-owned campgrounds and private lands
- ~850 Vacation home rentals and bed and breakfasts

# TOT Expenditures

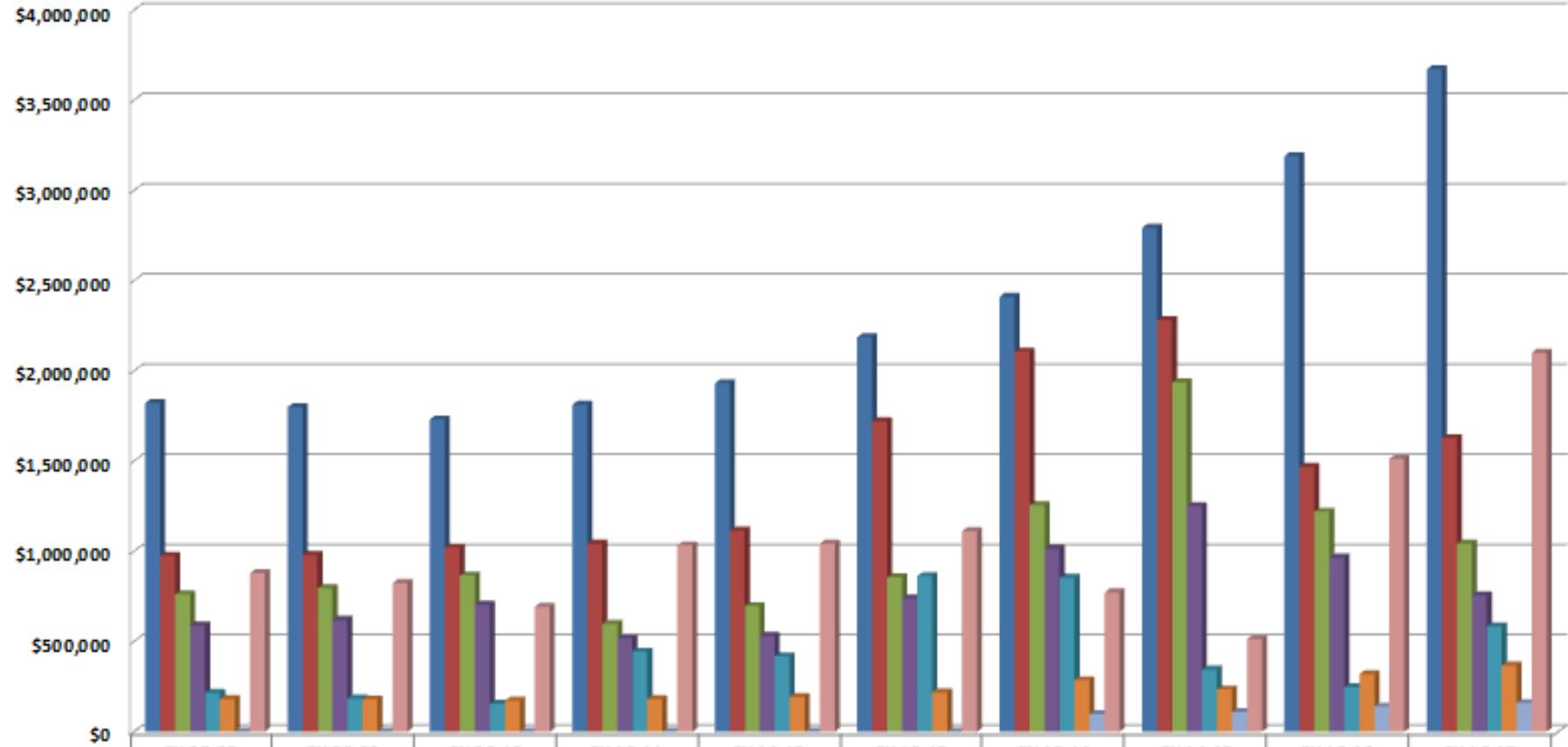
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General Plan Policy 10.1.6.4 states: “The majority of transient occupancy tax (TOT) generated revenue shall be directed toward the promotion of tourism, entertainment, business, and leisure travel in El Dorado County.”

# TOT Expenditures



### 10-Year TOT Funding History



	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Total TOT Revenue Received County-wide	\$1,822,029	\$1,799,620	\$1,731,032	\$1,812,585	\$1,932,673	\$2,186,216	\$2,410,979	\$2,792,967	\$3,191,054	\$3,670,952
Economic Development Program Budget	\$975,672	\$980,405	\$1,021,827	\$1,042,189	\$1,115,136	\$1,720,170	\$2,107,600	\$2,281,975	\$1,467,553	\$1,627,438
Economic Development Program Expenditures (Includes Promotional Funding)	\$760,561	\$795,873	\$866,336	\$598,081	\$696,921	\$856,309	\$1,255,062	\$1,936,823	\$1,219,597	\$1,042,962
Promotional Funding Actuals	\$588,475	\$621,146	\$704,697	\$518,962	\$531,784	\$738,188	\$1,015,323	\$1,251,298	\$966,318	\$757,473
Economic Development Program Revenues Less Expenditures (~\$ returned to GF)	\$215,111	\$184,532	\$155,491	\$444,108	\$418,215	\$863,861	\$852,538	\$345,152	\$247,956	\$584,476
Treasurer Tax Collector Actuals	\$182,186	\$179,838	\$173,103	\$181,259	\$193,267	\$218,622	\$285,777	\$234,618	\$319,105	\$367,066
Veterans Actuals	\$0	\$0	\$0	\$0	\$0	\$0	\$97,400	\$108,494	\$139,648	\$159,553
Net General Fund Actuals	\$879,282	\$823,909	\$691,593	\$1,033,245	\$1,042,485	\$1,111,285	\$772,740	\$513,032	\$1,512,704	\$2,101,371

# Increasing TOT

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- Increasing TOT would produce added revenue with less of an impact on residents than other alternatives because TOT charges are generally paid by visitors to the County.

# Alternatives to Increase TOT/Board Discretion

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1. Propose to voters an increase to the TOT rate (Voter Decision)
2. Propose to voters the application of TOT to campgrounds on private lands (Voter Decision)
3. Expand collection of TOT to campgrounds on federal lands (Board policy)
4. Address the allocation of TOT to Veterans Affairs Commission through the annual Budget process (Board Policy)
5. Revise General Plan Policy 10.1.6.4 (Board Policy)

# Recommendation

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- **Alternative 1:** Staff recommends the Board direct Staff to return to the Board with draft ballot measure language for conceptual approval by June, to request of the voters a 2% increase to the TOT rate for the upcoming November election.
- **Alternative 2:** Staff recommends the Board direct Staff to return to the Board with draft ballot measure language for conceptual approval by June, to request of the voters an expansion of the collection of TOT to campgrounds on private lands for the upcoming November election.
- **Alternate Alternative 2:** Direct Staff to explore adding a flat fee for the occupancy of campgrounds, including a camping site or a space at a privately- or Federally-owned campground or recreational vehicle park, instead of levying TOT, and return to the Board for further direction.

# Recommendations

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- **Alternative 3:** Staff recommends the Board direct Staff to move forward with additional analysis to verify the feasibility of applying TOT to campsites & recreational vehicle sites within Federally-owned land, and to return to the Board for further direction.
- **Alternative 4:** Staff recommends the Board discontinue the practice of annually allocating 5% of the prior year TOT revenue to the Veterans Affairs Commission, and instead, consider the allocation during each cycle of the Budget process, possibly at a fixed amount.
- **Alternative 5:** If the Board would like to pursue this alternative, Staff recommends the Board direct Staff to return to the Board with an item outlining the steps necessary to revise Policy 10.1.6.4.