



## Legislation Text

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**File #:** 19-1818, **Version:** 1

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Chief Administrative Office recommending the Board consider and approve new budget policy pertaining to distribution of annual Transient Occupancy Tax revenues, pursuant to prior Board direction, and pending approval of actions recommended with Legistar Item 19-1755. (Est. Time: 20 Min.)

**FUNDING:** Transient Occupancy Tax. (General Fund)

### **DISCUSSION / BACKGROUND**

On September 10, 2019, with Legistar Item 19-1337, the Board considered a recommendation from the FY 2019-20 Budget Ad Hoc Committee to remove General Plan Section 10.1.6.4 which directs the use of Transient Occupancy Tax revenue received by El Dorado County and to, in its place, adopt a new Budget Policy regarding the same. Consideration of a General Plan Amendment to remove General Plan Section 10.1.6.4 is being considered this same day, with Legistar Item #19-1755, presented by the Planning and Building Department, Economic Development Division.

Based on Board direction received September 10, 2019, it is recommended that the new Budget Policy state the following:

***Transient Occupancy Tax revenue shall be directed toward the impact of tourism and economic development, with consideration for support of tourism and promotion activities within the County and for continued support for grant fund allocations to support Veteran programs within the County.***

It should be noted that the County's recent practice, combined with General Plan Section 10.1.6.4, has been to direct TOT revenue as follows:

At least 51% to Economic Development budget (a General Fund expense), 10% to the Treasurer-Tax Collector budget (a General Fund expense), 5% to fund Veteran's Commission grants to Veteran related activities, and the remaining amount to the General Fund to offset other general, on-going obligations of the County.

As this is a Board policy, the Board may make any changes to the recommended wording it feels necessary and appropriate. However, in the event the Board declines to approve actions associated with Item #19-1755, the Board should not proceed with approving a new Budget Policy regarding the distribution of TOT revenues.

### **ALTERNATIVES**

Please see Discussion above.

### **PRIOR BOARD ACTION**

Legistar #19-1337, September 10, 2019 - Board provided direction to staff to return with a recommended new Budget Policy to address the distribution of annual TOT revenues within the

annual budget, to coincide with the removal of General Plan Policy 10.1.6.4.

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Planning and Building Department (#19-1755)

**FINANCIAL IMPACT**

This action does not affect the amount of total TOT (General Fund) revenue received; however, there may be a General Fund impact related to modifications to the distribution of TOT revenues received.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

None at this time.

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

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