



Legislation Text

File #: 18-0372, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Receive and file a presentation on Transient Occupancy Tax (TOT) funding sources, expenditures, and alternatives to increase the Board's discretionary General Fund revenue by increasing TOT funding; and
- 2) Provide direction to Staff regarding which of the presented alternatives they would like Staff to further explore. (Est. Time: 1 Hr.)

FUNDING: Transient Occupancy Tax.

DEPARTMENT RECOMMENDATION

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- 1) Receive and file a presentation on Transient Occupancy Tax (TOT) funding sources, expenditures, and alternatives to increase the Board's discretionary General Fund revenue by increasing TOT funding; and
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DISCUSSION / BACKGROUND

Visitors are drawn to El Dorado County by its natural beauty and the Region's unique and historical attractions. The economic impact of tourism is vital to the local economy. Balancing the costs and benefits of tourism is essential to the preservation of our communities and our quality of life. TOT is an important part of that balance.

TOT, also referred to as hotel, motel or "bed" tax is authorized under State Revenue and Taxation Code Section 7280 as an additional source of non-property tax revenue to local government.

Under Chapter 3.28 of the County Code of Ordinances, the County imposes and collects a 10% tax on the rent charged by the operator for occupancy of hotels, motels, inns, or other lodging, except a camping site or a space at a privately owned or State Park campground or recreational vehicle park.

A recent FlashVote poll conducted between December 5 and 7, 2017 indicated that maintaining a high level of County services was the second-most important factor to residents, just behind having a rural lifestyle. The survey ended with 765 participants.

As your Board has previously discussed, for the County to maintain a rural lifestyle while providing a high level of County services, revenues must increase. Discussion has taken place regarding options to increase revenues including increasing sales tax, service fees, motor vehicle fees, and TOT - the analysis in the attached staff report is limited to the option of increasing TOT revenue.

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

FINANCIAL IMPACT

There is no cost associated with the current item. However, depending on the number of alternatives the Board would like Staff to explore, there may be a cost associated with the additional analysis, including the use of a consultant to conduct that analysis. If a consultant contract is needed, funding is available within the Fiscal Year 2017-18 Economic Development budget and there would be no change to Net County Cost.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Providing alternatives that increase and maximize the Board's discretionary revenue and that give the Board as much flexibility as possible in allocating resources to local priorities. Based on the County's Strategic Plan, this is in alignment with the Good Governance Strategic Plan Component - Objective 1: Establish sound fiscal policies and enable trust and transparency by ensuring accountability, efficiency, flexibility, innovation and excellence in all operations; and the overall goal of both the Economic Development and Infrastructure Strategic Plan Components - Enable a prosperous and vibrant economy.

CONTACT

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