



Legislation Text

File #: 21-0484, **Version:** 1

Chief Administrative Office recommending the Board receive and file a report from County staff relative to the use of Transient Occupancy Tax (TOT) funding, and provide direction for use of funding during Fiscal Year (FY) 2021-22.

FUNDING: Transient Occupancy Tax.

DISCUSSION/BACKGROUND

On March 9, 2021, the Board provided direction to staff for allocating a portion of the anticipated TOT funding for FY 2021-22 (Legistar Item #21-0349).

Historically, Policy 10.1.6.4 of the Economic Development Element of the County's General Plan specified that, "The majority of transient occupancy tax generated revenue shall be directed toward the promotion of tourism, entertainment, business, and leisure travel in El Dorado County." Based on this policy and direction from the Board, the County's recent practice has been to direct 10% of actual TOT revenue to the Treasurer-Tax Collector budget to cover costs associated with administering the VHR program and collecting TOT, 5% of prior year actual TOT revenue to fund Veteran's Commission grants and activities, at least 51% of TOT revenue to the Economic Development budget, and the remaining amount to the General Fund to offset other general, on-going obligations of the County.

Based on a recommendation from the FY 2019-20 Budget Ad Hoc Committee on December 10, 2019 (Legistar Item #19-1755), the Board approved a General Plan Amendment to remove General Plan Section 10.1.6.4. Also on December 10, 2019 (Legistar Item #19-1818), the Board approved a new Budget Policy (Policy B-16, Section II, No. 13), stating 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."

Due to this new policy direction, staff is seeking direction on the use of TOT funds for FY 2021-22. It is estimated that TOT revenue for FY 2021-22 will be \$5 million.

At the March 9, 2021 meeting, the Board approved the following uses of TOT for FY 2021-22:

- Funding for the Treasurer Tax Collector (\$373,500)
- Sheriff Search and Rescue (\$265,000)
- Economic Development Status Quo Budget (\$1,242,900)
- Renewal of the GSEC Contract (\$63,252)
- Veteran's Commission (\$175,000)

- Veteran's Add'l Position (\$90,700)
- Veteran's House Council (\$15,000)
- Funding for Wagon Train (\$10,000)
- Funding Agreement with the El Dorado County Chamber of Commerce Visitor's Authority (\$240,920)
- Funding Agreement with the El Dorado County Chamber of Commerce - Film Commission (\$150,750)
- Funding Agreement with the El Dorado Hills Chamber of Commerce (\$110,320)
- Funding Agreement with the Lake Tahoe South Shore Chamber of Commerce (\$78,950)
- Funding Agreement with the Tahoe Prosperity Center (\$30,000)

The total amount remaining to be allocated is \$2,153,708. As presented at the meeting, there have been several requests for this funding. A history of TOT revenues and expenditures, as well as a summary of the requests, are included in the attached slide deck (Attachment A). Further information is provided in the attachments to item #21-0349. As requested by the Board, staff is providing additional background information and is seeking direction for allocating the remaining funds.

CAO RECOMMENDATION/COMMENTS

Receive and file the information from staff and provide direction.

FINANCIAL IMPACT

There is no direct financial impact associated with this item. Upon receipt of direction from the Board, staff will prepare budget recommendations and / or funding agreements that make use of TOT revenue.

STRATEGIC PLAN COMPONENT

Economic Development
Healthy Communities
Public Safety
Infrastructure

CONTACT

Don Ashton Chief Administrative Officer