CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE VV TO INCREASE TRANSIENT OCCUPANCY TAX (TOT)

The City of Daly City City Council has placed Measure VV on the ballot to approve an ordinance increasing the existing transient occupancy tax, also known as a hotel tax, within Daly City. The tax is paid only by persons, primarily visitors, who rent a hotel room located in Daly City for 30 days or less. All revenues resulting from the increase in the transient occupancy tax on the rental of a hotel room would be unrestricted revenues allocated to the City's general fund and thus can be used for any legitimate general governmental purpose. No portion of the revenues generated by this tax would go to the State of California.

The proposed ordinance would increase the transient occupancy tax rate on rent charged to persons for the rental of a hotel room as follows:

- Effective January 1, 2019, the tax on rent charged to persons renting a hotel room would increase from 10% to 12%; and
- Effective January 1, 2020, the tax on rent charged to persons renting a hotel room would increase from 12% to 13%.

By way of example, a person renting a hotel room for $100 per night currently pays a hotel tax of $10 per night. If Measure VV passes, a person renting a hotel room for $100 per night will pay a hotel tax of $12 per night effective January 1, 2019, which will increase to $13 per night effective January 1, 2020.

Because the use of tax revenue generated by the increase in the transient occupancy tax can be used for unrestricted general governmental purposes, it is classified as a "general tax."

A "Yes" vote is a vote in favor of the tax.

A "No" vote is a vote against the tax.

This ordinance will be approved if a majority of those voting on Measure VV vote "Yes."

The above statement is an impartial analysis of Measure VV. If you desire a copy of the ordinance, please call the City Clerk's office at 650-991-2792 and a copy will be mailed at no cost to you.

DATED: August 27, 2018

Rose Zimmerman
City Attorney
City of Daly City