

MEASURE SUBMITTED TO THE VOTERS

MUNICIPAL

**CITY OF SAUSALITO
TRANSIENT OCCUPANCY TAX AND
APPROPRIATIONS LIMIT INCREASE
MEASURE J**

J Shall an Ordinance of the City of Sausalito be approved to amend Section 3.12.030 of the City of Sausalito Municipal Code to increase the Transient Occupancy Tax from 10% to an amount not to exceed 12% and shall Sausalito's appropriations limit be correspondingly increased?

**CITY OF SAUSALITO
TRANSIENT OCCUPANCY TAX AND
APPROPRIATIONS LIMIT INCREASE
FULL TEXT OF ATTACHMENT NO. 1
ORDINANCE NO. _____
MEASURE J**

AN ORDINANCE OF THE CITY OF SAUSALITO AMENDING SECTION 3.12.030 OF THE SAUSALITO MUNICIPAL CODE CONCERNING AN INCREASE IN THE EXISTING TAX RATE ON TRANSIENT OCCUPANCY

THE PEOPLE OF THE CITY OF SAUSALITO DO ORDAIN AS FOLLOWS:

SECTION I

Section 3.12.030 of the Sausalito Municipal Code is hereby amended by deleting Section 3.12.030 entitled "Imposed—Rate" in its entirety and adding a new Section 3.12.030 entitled "Imposed—Rate" to read as follows:

"3.12.030 Imposed—Rate. For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in an amount not to exceed twelve percent (12%) of the rent charged by the operator. The actual amount to be imposed pursuant to this Section 3.12.030 shall be established by resolution of the City Council but shall not exceed twelve percent (12%). Such tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the tax is paid in installments, a proportionate share of the tax shall be paid with each installment. Any unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the tax collector may require that such tax shall be paid directly to the tax collector."

SECTION II

The City Council may modify this Ordinance without a vote of the people but not to increase the tax rate or to expand the application of said tax.

SECTION III

This Ordinance, being for the increase of a general tax, shall be submitted to a vote of the people at the general election scheduled for November 2, 2004. This Ordinance shall become valid and binding if a majority of the voters voting thereon vote in its favor at said election and shall be effective on the date that the City Council

certifies the results of said election. If the provisions of Government Code Sections 53720 et seq. or Article XIIC of the California Constitution are duly repealed or amended, or interpreted by the courts so that a vote of the people is not required for enactment of this Ordinance, then this Ordinance shall take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.

SECTION IV

As required by Article XIIB of the California Constitution, the appropriations limit of the City of Sausalito shall be increased each year, for a period of four (4) years, by the total amount collected each year for the Transient Occupancy Tax (Chapter 3.12, Sausalito Municipal Code).

SECTION V

If any section, subsection, part, clause, sentence or phrase of this Ordinance or the application thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, the validity of the remaining portions of this Ordinance, the application thereof, and the general taxes imposed shall not be affected thereby but shall remain in full force and effect, it being the intention of the voters to adopt each and every section, subsection, part, clause, sentence or phrase regardless of whether any other section, subsection, part, clause, sentence or phrase or the application thereof is held to be invalid or unconstitutional.

SECTION VI

This Ordinance shall be in full force and shall take effect as provided by law.

SECTION VII

The Mayor shall sign this Ordinance and the City Clerk shall attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City's election on November 2, 2004, approve the measure asking whether the voters approve this Ordinance.

PASSED AND APPROVED this _____ day of November 2004.

Paul Albritton, Mayor
City of Sausalito

ATTEST:

Dana Whitson, City Clerk

MEASURE J CONTINUED ON NEXT PAGE



**IMPARTIAL ANALYSIS BY THE CITY ATTORNEY
MEASURE J**

The Sausalito Municipal Code currently imposes a Transient Occupancy Tax rate in the amount of 10% for the privilege of occupancy in any hotel, inn, tourist home or house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure occupied for thirty days or less for dwelling, lodging or sleeping purposes within the City. The proposed measure would amend the Municipal Code to increase the Transient Occupancy Tax rate from 10% to an amount not to exceed 12%.

Monies received from the Transient Occupancy Tax are deposited into the general fund and may be used for any lawful purpose. In order to increase the tax rate, State law requires that a majority of the voters voting in this election approve this measure.

This measure does not automatically raise the Transient Occupancy Tax to the maximum level authorized. Rather, if the measure is approved the City Council will adopt a resolution setting the tax level which could not exceed 12%.

This measure would also increase the appropriations limit for the City of Sausalito by the total amount collected under this tax so as to enable the City to expend the money collected, as authorized by Article XIII B of the California Constitution.

A YES vote approves the measure.

A NO vote rejects the measure.

MARY ANNE WAGNER
City Attorney of Sausalito

ARGUMENT IN FAVOR OF MEASURE J

Measure J authorizes an increase of up to 2% in the Transient Occupancy Tax (TOT). **This is a tax that is charged only to guests who stay in Sausalito's hotels.** The current TOT rate in Sausalito is 10%. San Francisco currently has a 14% TOT, and many other cities in California have a 12% TOT rate, including Calistoga, Napa and St. Helena.

The TOT will not adversely impact our hotels. This is a standard tax put on hotel bills all over California. **Few people inquire about the amount of the TOT before booking a room. If they did, they would learn that Sausalito's primary hotel competitor, San Francisco, has a 14% TOT rate!**

The state government has raided an increasing share of tax revenues that were traditionally dedicated to local services. Today, Sausalito receives about 19 cents for every \$1.00 of property tax and only 14 cents of every \$1.00 of sales tax paid within its borders. **Unlike those taxes, every dollar of the TOT is kept by the local jurisdiction where it is collected.**

In June, Sausalito balanced its budget by eliminating 15 positions across all departments, including police, fire, parks and recreation, public works and the library. **A 2% TOT increase will raise about \$125,000 a year to help pay for all of these vital services that we need in our town!**

Hotel guests use our municipal services for police, fire protection, emergency medical services, parks and public works. The TOT ensures that **visitors contribute** to keep Sausalito clean, beautiful and well-served.

Sausalito's citizens will benefit from receiving an additional \$125,000 for our local services. And the hotels will continue to benefit by having an attractive, clean and well-maintained town.

JOIN SAUSALITO HOTEL OWNERS, RESIDENTS AND BUSINESS PERSONS IN VOTING YES ON MEASURE J.

s/ Bill Keller
Sausalito City Council

s/ Ron Albert
Sausalito City Council

s/ Mary Ann Sears

s/ Michael T. Blatt, Managing Member
Sausalito Alta Mira Hotel, LLC

s/ Raymond G. Gergus

NO ARGUMENT AGAINST THIS MEASURE

WAS SUBMITTED

END OF MEASURE J

