

An Overview of Transient Occupancy Taxes in California

Joint Hearing of the Assembly Local Government Committee
and the Revenue and Taxation Committee
Sacramento, CA ❖ March 18, 2015



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Transient Occupancy Tax (T.O.T.)

AKA “Transient Lodging Tax” (State Contoller), “Hotel Tax”

A tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging for a period of occupancy of 30 days or less.



T.O.T.s in California

- ✓ 431 of 482 cities in CA have TOT, 55 of 58 counties
 - Most without TOT are small bedroom communities

- ✓ Most are general taxes (general purpose)
 - But 18 cities have some portion earmarked by ordinance.
Including: Los Angeles, Pasadena, San Diego, Sacramento

- ✓ 85% of revenue statewide goes in general funds to fund law enforcement, emergency services, parks & recreation, streets & roads, etc.
 - Take out San Diego and it's 95%



T.O.T. Revenue is Important, Critical for Some

- ✓ Over 7% of general revenues among full service cities on average (stddev 10%)
 - Cities not responsible for fire service: 5% of general revenues on average

- ✓ 10% or more of general revenues for more than 80 cities

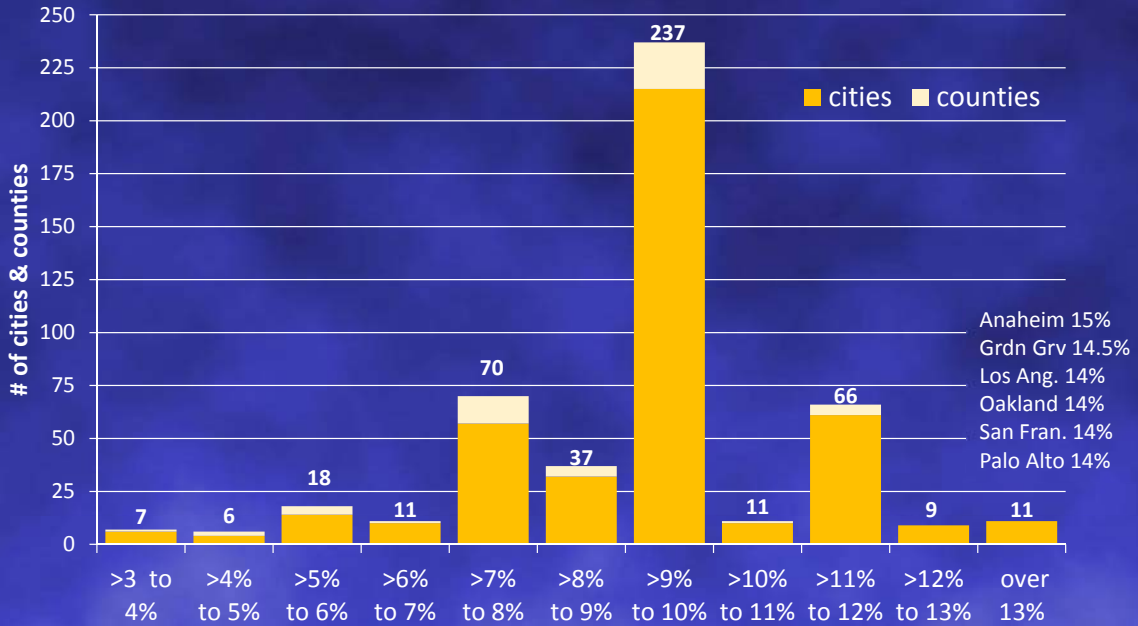
Yountville	69.9%
Avalon	58.1%
Calistoga	56.2%
Solvang	53.1%
Pismo Beach	46.5%
Indian Wells	46.5%
Mammoth Lakes	44.4%
Anaheim	41.4%
Angels Camp	40.4%
Bishop	38.2%
Dana Point	38.1%
Half Moon Bay	37.7%
Ojai	37.2%
Burlingame	37.1%
Monterey	36.6%
Carmel-by-the-Sea	34.6%
Big Bear Lake	31.8%
Morro Bay	31.5%
West Hollywood	31.4%
Rancho Mirage	30.5%
Palm Springs	29.9%
Westlake Village	29.2%
Fort Bragg	29.0%
Crescent City	27.8%
Sonoma	27.0%
Buellton	26.1%
Coronado	25.2%
Millbrae	24.4%
Palm Desert	24.1%
So. Lake Tahoe	23.7%
Pacific Grove	22.4%
Napa	21.9%
Saint Helena	20.9%
Carpinteria	20.9%

T.O.T. percent of General revenues 2011-12

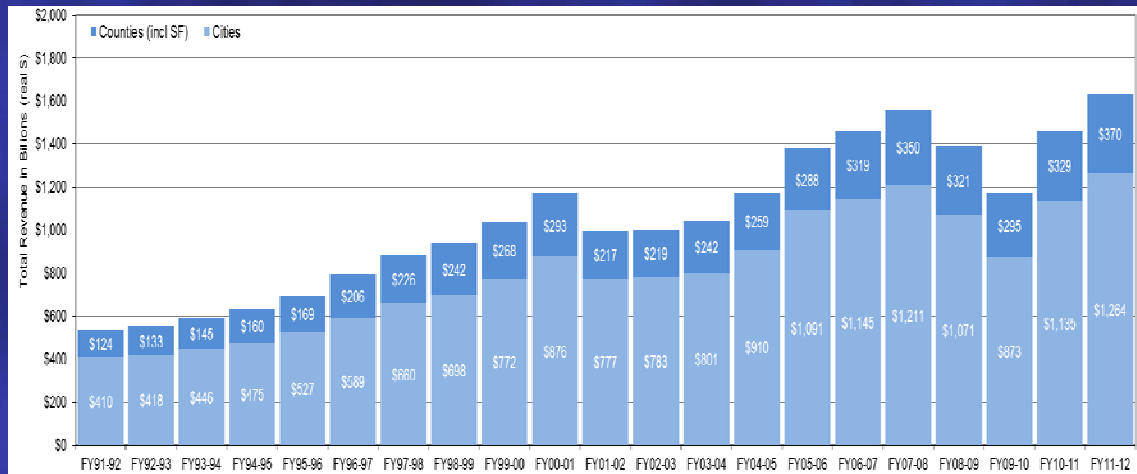


California T.O.T Rates

as of 3/15/2015



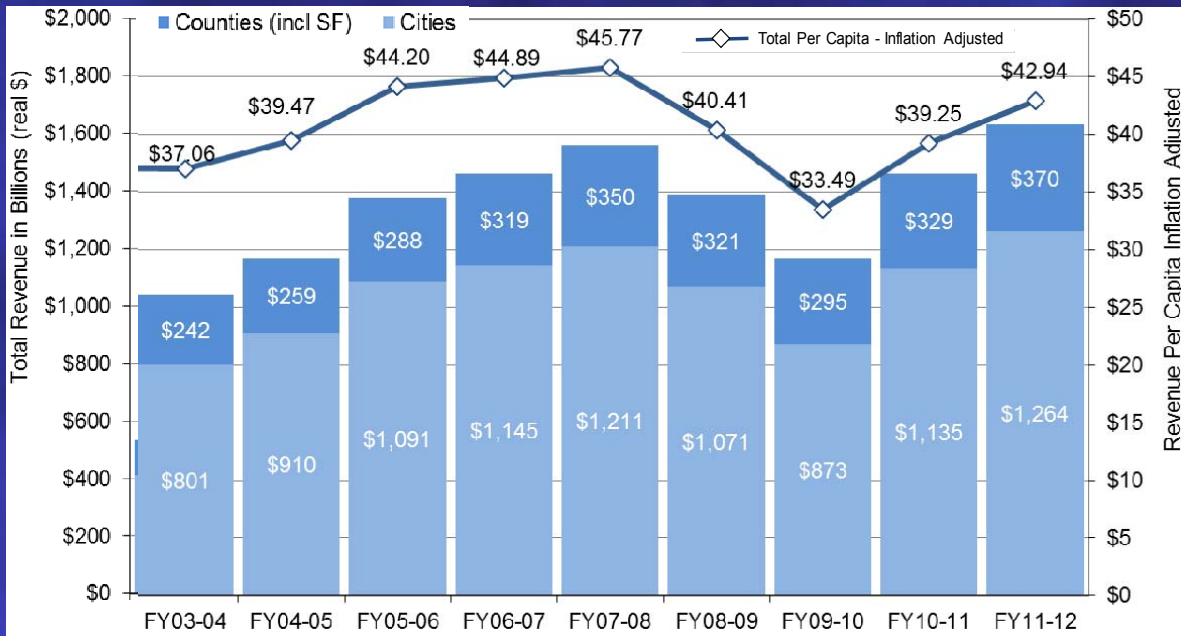
California T.O.T. Revenues



Source: CaliforniaCityFinance.com computations from data from California State Controller (revenues).



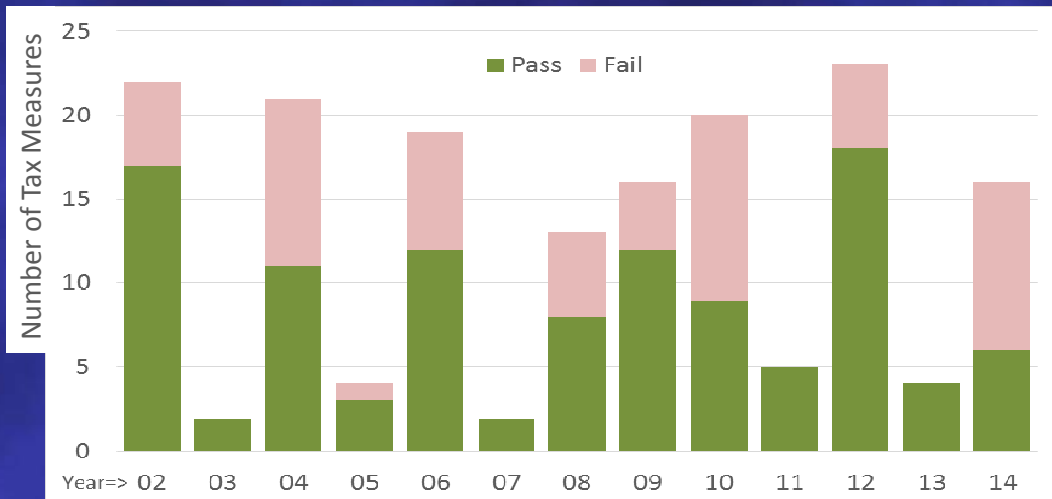
California T.O.T. Revenues



Source: CaliforniaCityFinance.com computations from data from California State Controller (revenues).



California T.O.T. Measures – Pass/Fail



Source: CaliforniaCityFinance.com compilation from county elections offices.

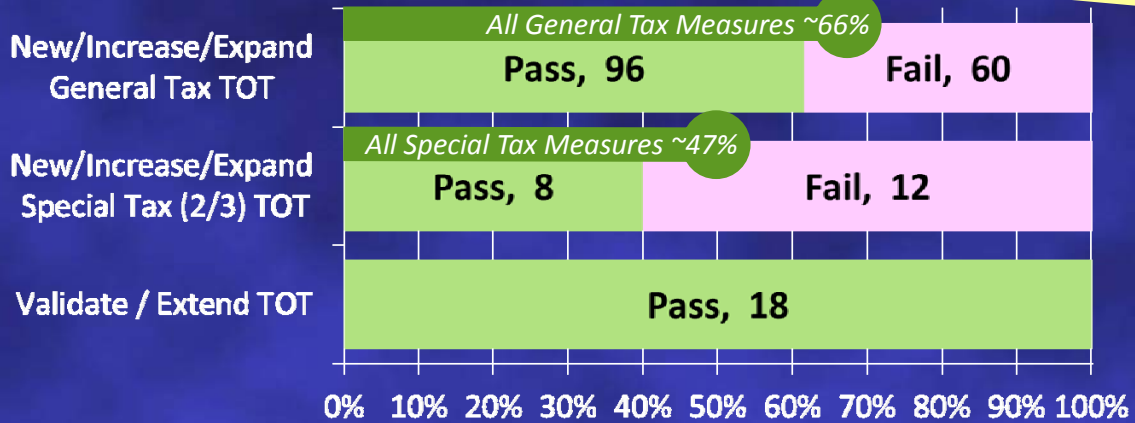
- ✓ Typically 15-20 measures in even years, <5 in odd
- ✓ No obvious trend over time



California T.O.T Measures

Cities and counties - 2002 through 2014

Of the 176 TOT measures only 20 were special taxes



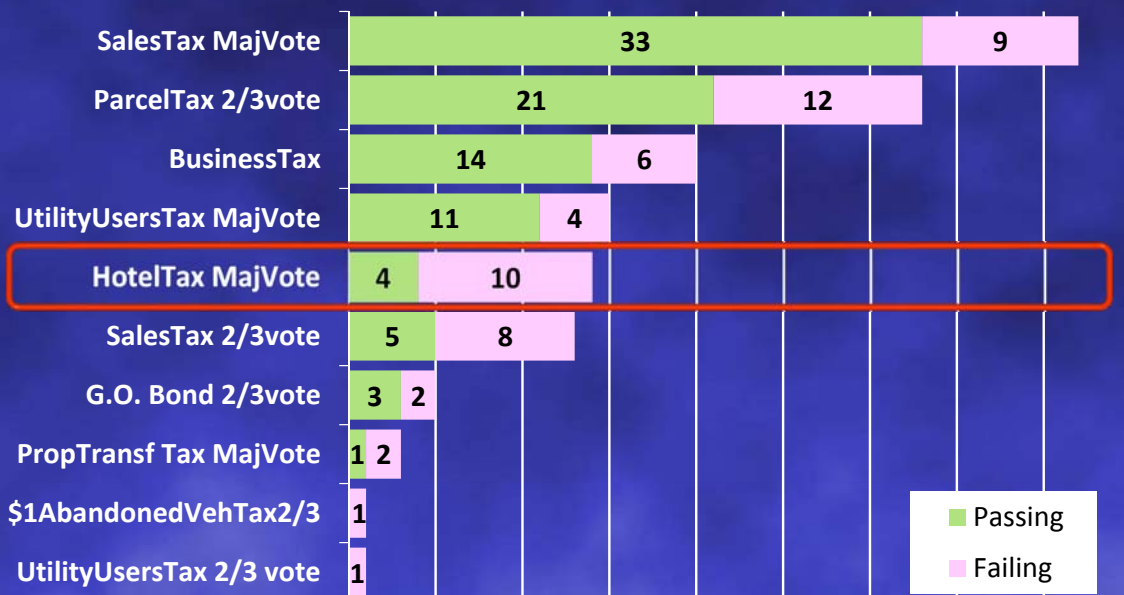
Source: CaliforniaCityFinance.com compilation from county elections offices.

- ✓ General taxes: ~60% pass
- ✓ Special taxes: ~40% pass
- ✓ County measures (unincorp.area) not as successful:
 - 16 of 31 general taxes passed, all 3 special taxes failed
- ✓ TOTs not as popular as other tax measures



Among Tax Increases, T.O.T.s are Less Common

Local Tax and Bond Measures in California Nov 2014 *



Source: CaliforniaCityFinance.com compilation from county elections offices.

*Not including school taxes and bonds

