

## **PROPOSED ORDINANCE OF MEASURE H**

### **AN ORDINANCE OF THE CITY OF HERMOSA BEACH TO INCREASE THE TRANSIENT OCCUPANCY TAX (HOTEL TAX) BY 2% FROM 12% TO 14% AND AMENDING CHAPTER 3.32 OF THE HERMOSA BEACH MUNICIPAL CODE**

The People of the City of Hermosa Beach do hereby ordain as follows:

#### Section 1. Recitals.

A. The purpose of this Ordinance is to increase the rate of the transient occupancy tax paid by hotel/motel and other short-term guests from its current rate of 12% to 14%.

B. The transient occupancy tax ("TOT/hotel tax") is paid only by guests who stay in local hotels and other lodgings and ensures that out-of-town visitors pay their fair share of their use of City roads, parks, the beach, public safety and other City services.

C. The revenues from the TOT/hotel tax remain entirely in the City, are controlled by the City and are used for unrestricted general municipal purposes such as public safety, infrastructure, street repair and park improvements and cannot be taken by the County or the State.

D. An increase of 2% in the transient occupancy tax is estimated to raise approximately \$550,000, which would be used by the City to protect the residents' quality of life and property values and continue to provide excellent quality services. By keeping the city safe, clean and well-maintained, updating the hotel tax protects the quality of life and property values for local residents while keeping Hermosa Beach a special place to live, work and play.

E. The City's excellent public safety services continue to contribute to the quality of life residents have come to expect and deserve in Hermosa Beach. Public safety has consistently been a top priority for the City and residents. Updating the hotel tax helps maintain local public safety services such as 911 response, police, fire and paramedic services.

Section 2. Section 3.32.030 of Chapter 3.32, Title 3 of the Hermosa Beach Municipal Code is amended to read:

A. For occupancy of any hotel, motel, hostel, hospital or permitted short term rental as defined, each transient is subject to and shall pay a tax in the amount of fourteen percent of the rent or bill charged by the operator. Said tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator of the hotel, motel, hostel,

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hospital, or other permitted short term accommodation at the time the rent or bill is paid. If the rent or bill is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel, motel, hostel, hospital or other permitted short term accommodation. If for any reason the tax due is not paid to the operator, the tax administrator may require that such tax shall be paid directly to the tax administrator.

**PASSED, APPROVED AND ADOPTED BY THE PEOPLE OF THE CITY OF HERMOSA BEACH AT AN ELECTION HELD** this 5th day of November, 2019.