



MEMORANDUM
COUNTY EXECUTIVE OFFICE
County of Placer

TO: Board of Supervisors DATE: April 21, 2020

FROM: Doug Jastrow, Revenue Services Manager

SUBJECT: Placement of Occupants in Response to COVID-19; Urgency Ordinance for Exemption of Transient Occupancy Taxes

ACTION REQUESTED

1. Introduce, waive oral reading and adopt an urgency ordinance to amend Chapter 4, Article 4.16, Section 4.16.040 on an interim basis to exempt transient occupancy taxes for governmental entities' placement of occupants in response to the COVID-19 emergency.

BACKGROUND

On March 17, 2020, the California legislature passed emergency legislation (Senate Bill 89) authorizing \$500 million in funding to respond to COVID-19. The funding included support to local governments to protect the health and safety of homeless populations, to reduce the spread of COVID-19 in homeless populations, and to provide safe beds for people experiencing homelessness. Later, California secured Federal Emergency Management Agency approval to implement Project Roomkey, a project that will protect public health by isolating the medically vulnerable, reducing the shelter population to aid social distancing, and slowing the rate of the spread of COVID-19. Project Roomkey authorizes the use of non-congregate sheltering by the State for housing of COVID-19 positive individuals, those exposed to COVID-19 cases requiring isolation or quarantine, and persons over 65 with preexisting conditions requiring rooms for social distancing.

Lodging facilities within the County have been identified as potential participants in Project Roomkey. However, Placer County Code Chapter 4, Article 4.16 requires the imposition of transient occupancy tax ("TOT") on short-term occupants of lodging facilities in unincorporated Placer County. TOT helps fund initiatives that benefit the County including public safety, transportation, libraries, public parks, infrastructure improvements, and historical and environmental preservation projects.

Based on an immediate need to preserve the public peace, health and safety, and in response to the COVID-19 emergency, the proposed urgency ordinance would exempt participants in Project Roomkey from being subject to TOT. Specifically, the proposed ordinance will exempt from TOT any dwelling provided by an operator through an agreement with a state or local government entity for the placement of occupants in response to the COVID-19 emergency.

Government Code section 25123 allows the County to enact an urgency ordinance for the immediate preservation of the public peace, health, or safety, and to make the ordinance effective immediately. The facilitation of isolation and quarantine measures during the COVID-19 emergency qualifies as a basis for this urgency ordinance. In this instance, the proposed ordinance would be effective immediately and would expire once the State of Emergency is lifted at both the State and local level.

FISCAL IMPACT

Many of the dwellings that are candidates for Project Roomkey would not otherwise be rented due to State and local orders requiring individuals to shelter at their place of residence, so the proposed action has minimal potential to impact anticipated TOT revenues.

ATTACHMENTS

Attachment A – Urgency Ordinance

Before the Board of Supervisors County of Placer, State of California

In the matter of: An Urgency Ordinance
Amending Chapter 4, Article 4.16, Section 4.16.040
on an Interim Basis to Exempt Transient Occupancy
Taxes for Government Entities' Placement of
Occupants in Response to COVID-19 Emergency

Ordinance No. _____

The following **Urgency Ordinance** was duly passed by the Board of Supervisors of the
County of Placer at a regular meeting held on April 21, 2020, by the following vote:

Ayes:

Noes:

Absent:

Signed by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, pursuant to Government Code section 25123, the County may enact an ordinance for the immediate preservation of the public peace, health, or safety, which contains a declaration of the facts constituting the urgency and which shall be effective immediately; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom declared a State of Emergency to formalize emergency actions already underway across multiple state agencies and departments, and to help prepare for the broader spread of the COVID-19 disease; and

WHEREAS, on March 9, 2020, the County Board of Supervisors ratified the County Health Officer's March 3, 2020 declaration of a local health emergency and ratified the Director of Emergency Services' March 3, 2020 proclamation of a local emergency because of the

COVID-19 disease in order to ensure the County Health Officer and Director of Emergency Services had all necessary tools at their disposal; and

WHEREAS, on March 17, 2020, California passed emergency legislation Senate Bill 89, that authorizes \$500 million in funding to respond to COVID-19, including support to local governments to protect the health and safety of homeless populations, reduce the spread of COVID-19 in homeless populations, and provide safe beds for people experiencing homelessness; and

WHEREAS, on March 18, 2020, Governor Newsom issued Executive Order N-32-20 waiving provisions of the Health and Safety Code sections 50214(a), 50219(c) and Public Resources Code 21000 *et. seq.* and related regulations as they relate to placement, isolation and quarantine of homeless individuals in response to COVID-19; and

WHEREAS, on March 19, 2020, Governor Newsom issued Executive Order N-33-20 ordering all individuals in California to stay in their place of residence except as needed to maintain continuity of operations of federal critical infrastructure sectors; and

WHEREAS, on March 19, 2020, the Placer County Health Officer issued a directive for residents to remain at home except to engage in essential activities in response to the COVID-19 pandemic; and

WHEREAS, on April 10, 2020, the Placer County Health Officer issued an order instructing individuals to continue to shelter at their place of residence, and restricted and clarified non-essential activities in response to COVID-19; and

WHEREAS, both the Placer County Health Officer's March 19, 2020 directive and April 10, 2020 order noted that "governmental and other entities are strongly urged to make such shelter available while maintaining six feet of spacing between persons" in reference to the homeless; and

WHEREAS, in a short period of time, COVID-19 has rapidly spread throughout the state and the county, necessitating isolation and quarantine of affected individuals in order to reduce the spread of the disease; and

WHEREAS, the Federal Emergency Management Agency's Project Roomkey authorizes the use of noncongregate sheltering by the State of California for housing of COVID-19 positive individuals, those exposed to COVID-19 cases requiring isolation or quarantine, and persons over 65 with preexisting conditions requiring rooms for social distancing; and

WHEREAS, lodging facilities within the County of Placer have been identified as potential participants in Project Roomkey; and

WHEREAS, Placer County Code Chapter 4, Article 4.16 requires the imposition of transient occupancy tax ("TOT") on occupants of certain lodging facilities; the amount is to be collected by the operator and remitted to the County; and

WHEREAS, Placer County Code Section 4.16.040 provides exemptions from TOT, and there is an immediate need to preserve the public peace, health and safety by exempting

participants in Project Roomkey directly in response to the COVID-19 emergency from being subject to TOT.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA
ORDAINS AS FOLLOWS:**

Section 1: Placer County Code Chapter 4, Article 4.16, Section 4.16.040 is amended on an interim basis for the effective period of this ordinance as follows:

4.16.040 Exemptions from tax.

No tax levied by the article shall be imposed upon any person as to whom, or any occupancy as to which, it is beyond the county’s legal authority to impose the tax herein provided:

- A. Any federal or state officer or federal credit union employee when on official business;
- B. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty;
- C. Rooms donated to or paid by the Red Cross or other charitable organization for the express purpose of providing temporary emergency shelter;
- D. Complimentary stays where no rent is received;
- E. The owner of a timeshare estate occupying a room or rooms in a timeshare project, as defined in Business and Professions Code Section 11212 or its successor statute; or
- F. The owner of a membership camping contract as defined in Civil Code Section 1812.300.
- G. **Dwellings provided by agreement with a state or local government entity for placing occupants directly in response to the COVID-19 emergency including the placement of occupants pursuant to contracts that satisfy the Federal Emergency Management Agency’s approval of Project Roomkey.**

No exemption shall be granted under this section, **except for subsection (G)**, unless a claim for exemption, in the form prescribed by the tax administrator, is executed by the transient under penalty of perjury and filed with the operator at the time agreement for occupancy is entered. The transient occupancy tax claim of exemption form shall be made available on the Placer County’s website page pertaining to transient occupancy taxes.

Section 2: The Board hereby declares, based on the findings set forth above, that there is an immediate need to preserve the public peace, health and safety constituting the urgency for adoption of this ordinance pursuant to Government Code section 25123(d). Accordingly, this ordinance is adopted as an urgency ordinance and shall take effect and be in force immediately upon its adoption until both of the following events occur: (1) the County lifts its declaration of a local health emergency, and (2) the State Governor lifts the State of Emergency previously declared on March 4, 2020, unless otherwise repealed or extended.

Section 3: The Clerk is directed to publish this ordinance, or a summary thereof, within fifteen (15) days in accordance with Government Code section 25124.