

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Thomas M. Miller, County Executive Officer
Submitted by: Jennifer Merchant, Principal Management Analyst

DATE: January 24, 2012

SUBJECT: Resolution for Placement of a County Measure on the June 5, 2012 Ballot To Reauthorize Transient Occupancy Tax of 10% in the North Lake Tahoe Area

ACTION REQUESTED

Approve a resolution and proposed ballot language and text for placement of a county measure on the ballot of the Statewide Presidential Primary Election to be held June 5, 2012 to reauthorize a transient occupancy tax of ten percent (10%) in the North Lake Tahoe area, to sunset on September 30, 2022.

BACKGROUND

In 1996, Placer County voters approved an increase in the rate of the transient occupancy tax (TOT) from eight percent (8%) to ten percent (10%) for that portion of Placer County legally described as the "North Lake Tahoe Transient Occupancy Tax Area." The TOT increase became effective October 1, 1996, with a sunset date of September 30, 2002. The TOT increase was renewed effective October 1, 2002, with a sunset date of September 30, 2012. The TOT is a general tax, and generally is not paid by the local residents, as it is imposed upon the cost of lodging, which is used by overnight visitors to the area. Most of the revenue generated from the tax is derived from people who do not reside in the North Lake Tahoe area.

The two percent increase has been utilized to assist in funding the North Lake Tahoe Tourism Development Master Plan and has been allocated by the Board of Supervisors to infrastructure development and visitor-related services in eastern Placer County since its approval fifteen years ago. Approximately \$20 million has been allocated to capital projects, leveraging \$164 million in other federal, state and local funds during that term. Another \$7 million has been allocated to transportation system service improvements since 2005. The Board's approval is requested to place a general tax measure on the June 5, 2012 Statewide Presidential Primary Election ballot that, if approved, would reauthorize the transient occupancy tax in North Lake Tahoe at its present level for an additional 10 years, to sunset on September 30, 2022.

ISSUE

Reauthorization of the 2% portion of the current transient occupancy tax of 10% will provide additional funding to assist the County and the North Lake Tahoe Resort Association to continue implementation of the Tourism Development Master Plan. A resolution proposing the placement of a ballot measure, including ballot wording and text, is attached for your Board's consideration today (Attachment 1). As required a legal description of the area in which the tax will be imposed (Attachment 2), as well as a district map verification of the "North Lake Tahoe Transient Occupancy Tax Area" (Attachment 3) has also been prepared by the Community Development Resources Agency.

The 2% increase is a general tax and will be deposited into the general fund to be used at the discretion of the Board of Supervisors each year. Your Board has in the past directed these monies towards the funding of programs that promote tourism and the economic welfare of the North Lake Tahoe area for infrastructure development and public improvements.

A general tax, as proposed by the attached resolution, requires a four-fifths vote by your Board before the tax may be submitted to the voters for approval. The measure must be approved by a majority of the voters voting in the election on June 5, 2012.

FISCAL IMPACT

Approximately \$1.8 million per year is generated annually by the 2% differential in TOT. In the past this money has been spent for projects and programs in the North Lake Tahoe area.

Attachments: Resolution and attachments

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

RESOLUTION ORDERING A COUNTY MEASURE TO REAUTHORIZE THE TWO PERCENT (2%) PORTION OF THE EXISTING TEN PERCENT (10%) NORTH LAKE TAHOE TRANSIENT OCCUPANCY TAX, TO SUNSET ON SEPTEMBER 30, 2022, TO BE PLACED ON THE BALLOT FOR THE STATEWIDE PRESIDENTIAL PRIMARY ELECTION TO BE HELD JUNE 5, 2012.

Resol. No: _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held January 24, 2012, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, a transient occupancy tax is collected on occupancy of overnight lodging within the County of Placer at a rate of eight percent (8%); and

WHEREAS, on March 26, 1996, the voters approved an increase in the rate of the transient occupancy tax from eight percent (8%) to ten percent (10%) for that portion of Placer County legally described as the "North Lake Tahoe Transient Occupancy Tax Area", effective October 1, 1996, and expiring on September 30, 2002. On March 5, 2002, the voters reauthorized the ten percent (10%) North Lake Tahoe transient occupancy tax for an additional 10 years, effective October 1, 2002, and expiring on September 30, 2012; and

WHEREAS, the two (2%) percent increase in the transient occupancy tax approved on March 5, 2002, will expire unless re-authorized by the voters;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer, State of California, that:

- 1) The Board of Supervisors proposes a reauthorization of the transient occupancy tax, a general tax, for that portion of Placer County legally described as the "North Lake Tahoe Transient Occupancy Tax Area" at the rate of ten (10%) percent for a period of ten additional years commencing on October 1, 2012, as set forth in Exhibit "A" attached herein; and
- 2) The Board of Supervisors orders that the following question be placed as a County Measure within the North Lake Tahoe Transient Occupancy Tax Area on the ballot of the Presidential Primary Election to be held June 5, 2012:

NORTH LAKE TAHOE T-O-T CONTINUATION MEASURE WITH NO TAX INCREASE.
To reduce traffic congestion/tourist impacts, support transportation services, build/maintain local bike trails, parks, indoor recreation opportunities, sidewalks, and beaches, and other public services, shall Placer County continue for 10 additional years, with no increase, the existing 2% North Lake Tahoe portion of the Transient Occupancy Tax – paid only by lodging guests, not by local taxpayers – with annual independent audits, continued local oversight, and all funds exclusively for North Lake Tahoe?

Section 4.16.030B of Chapter 4 of Article 4.16 of the Placer County Code shall be amended to read as follows:

Chapter 4: Revenue and Finance

Article 4.16: Uniform Transient Occupancy Tax

4.16.030: Imposition—Amount—Where payable

* * * *

B. Effective October 1, ~~2002~~ **2012** and sunsetting September 30, ~~2012~~ **2022**, for the privilege of occupancy in any hotel located in that portion of Placer County legally described in subsection D of this section as the "North Lake Tahoe Transient Occupancy Tax Area," each transient is subject to and shall pay a tax in the amount of ten (10) percent of the rent charged by the operator. The two percent increase incorporated herein is a general tax.

Attachment 1- Legal Description

Attachment 2- Tahoe TOT Map

The legal description of the "North Lake Tahoe Transient Occupancy Tax Area" is as follows:

Beginning at the southwest corner of Section 30, T14N, R16E, M.D.B.&M. being a point on the Placer-El Dorado County line, and running thence north along section lines to the northwest corner of Section 6, T15N, R16E, M.D.B.&M., being a point on the south line of Section 36, T16N, R15E; thence east along the south line of said Section 36 to the southeast corner thereof; thence north along section lines to the quarter-section corner on the east line of Section 25 of the last mentioned township and range; thence westerly along the east-west centerlines (the half section lines) of Sections 25, 26 and 27 of the last mentioned township and range 2-3/4 miles more or less to an intersection with a branch of the North Fork of the American River located in said Section 27; thence northwesterly and westerly along said branch and said river, 9-1/2 miles more or less to the north-south centerline of Section 20, Township 16 North, Range 14 East M.D.B.&M.; thence north along the north-south centerline of Sections 20, 17, 8, and 5 of said township and range and along the north-south centerline of Sections 32 and 29 Township 17 North Range 14 East, M.D.B.&M. to the north line of Placer County; thence easterly along the north line of Placer County to the northeast corner of said county, a point on the east line of the state of California; thence south along the east line of the state of California; and the east line of Placer County to the southeast corner of said county; thence west and south along the south line of Placer County to the point of beginning.

The legal description of the "Western Slope Transient Occupancy Tax Area" is as follows:

All that portion of the unincorporated area of the county of Placer, state of California that lies West of the following described line: Beginning at the southwest corner of Section 30, T14N, R16E, M.D.B.&M. being a point on the Placer-El Dorado County line, and running thence north along section lines to the northwest corner of Section 6, T15N, R16E, M.D.B.&M., being a point on the south line of Section 36, T16N, R15E; thence east along the south line of said Section 36 to the southeast corner thereof; thence north along section lines to the quarter-section corner on the east line of Section 25 of the last mentioned township and range; thence westerly along the east-west centerlines (the half section lines) of Sections 25, 26 and 27 of the last mentioned township and range 2 3/4 miles more or less to an intersection with a branch of the North Fork of the American River located in said Section 27; thence northwesterly and westerly along said branch and said river, 9 1/2 miles more or less to the north-south centerline of Section 20, Township 16 North, Range 14 East M.D.B.&M.; thence north along the north-south centerline of Sections 20, 17, 8, and 5 of said township and range and along the north-south centerline of Sections 32 and 29 Township 17 North Range 14 East, M.D.B.&M. to the north line of Placer County. (Ord. 5006-B (part), 1999: prior code §21:3)



