

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 38-2022

On the motion of Supervisor McPherson
Duly seconded by Supervisor Coonerty

The following resolution is adopted:

**RESOLUTION CALLING FOR AN ELECTION FOR THE PURPOSE OF
SUBMITTING TO THE QUALIFIED ELECTORS OF THE COUNTY OF SANTA
CRUZ A COUNTYWIDE MEASURE TO RAISE THE TRANSIT OCCUPANCY TAX;
DIRECTING THE COUNTY ELECTIONS OFFICIAL TO CONDUCT THE
ELECTION; AND DIRECTING CONSOLIDATION OF THE ELECTION WITH THE
REGULAR ELECTION OF JUNE 7, 2022**

WHEREAS, the Board of Supervisors of Santa Cruz County is authorized under the provisions of Section 7280 of the California Revenue and Taxation Code to levy what is commonly known as a “transient occupancy tax”, which is a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, motel, inn, tourist home or house, vacation rental, or other lodging within the unincorporated area of the County, unless the occupancy is for a period of more than thirty (30) days; and

WHEREAS, the County of Santa Cruz presently imposes a transient occupancy tax at the rate of eleven percent (11%) of the rent charged; and

WHEREAS, the Board of Supervisors has determined it is in the best interest of the County and its residents to submit to the voters a proposed measure authorizing the transient occupancy tax to be increased for general purposes in order to continue funding essential public services including wildfire prevention, emergency response/recovery, street repair, public/mental health services, homelessness programs, and affordable housing; and

WHEREAS, the Board of Supervisors has determined that it is appropriate to raise the transient occupancy tax from eleven percent (11%) to twelve percent (12%) for hotels, motels, inns, and related commercial lodging facilities; and

WHEREAS, the Board of Supervisors has determined that it is appropriate to raise the transient occupancy tax from eleven percent (11%) to fourteen percent (14%) for vacation rental properties; and

WHEREAS, the Board of Supervisors has determined that it is appropriate to distinguish between traditional commercial lodging properties and vacation rental properties in application of the transient occupancy tax rate because of the greater regulatory oversight vacation rental properties require, the greater impacts vacation rental properties have on residential neighborhoods and areas not typically subject to the impacts of commercial endeavors, and

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because vacation rental properties typically avoid the development impact fees and permit costs usually imposed upon commercial lodging properties; and

WHEREAS, subdivision (b) of section 2 of Article XIII C of the California Constitution and section 53723 of the California Government Code require that before the County may impose a general tax, the tax must be submitted to the voters and approved by a majority vote of the voters; and

WHEREAS, subdivision (b) of section 2 of Article XIII C of the California Constitution mandates that an election required by that subdivision be consolidated with a regularly scheduled general election for members of the governing body of the local government, subject to specific exceptions not relevant here; and

WHEREAS, if approved by a majority of voters, the proposed increase to the transient occupancy tax would be accomplished by amending Chapter 4.24 of the Santa Cruz County Code as reflected in the draft Ordinance attached hereto as Exhibit 1; and

WHEREAS, pursuant to California Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, pursuant to California Elections Code Section 1000 *et seq.*, various district, county, state, and other political subdivision elections shall be held on June 7, 2022, an established regular election date;

NOW THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Board of Supervisors as follows:

1) A County election is hereby called to be held throughout the County at the regular election date of June 7, 2022, for the purpose of submitting to the qualified electors of the County of Santa Cruz the following measure:

Measure - _____

SANTA CRUZ COUNTY UNINCORPORATED AREA VACATION RENTAL/OVERNIGHT LODGING TAX. To fund Santa Cruz County essential public services including wildfire prevention, emergency response/recovery, street repair, public/mental health services, homelessness programs, and affordable housing, shall Santa Cruz County increase its existing Transient Occupancy Tax, paid by tourists and others staying overnight at lodging facilities in unincorporated areas, from 11% to 12% for hotels/motels/inns, and to 14% for vacation rental properties, providing approximately \$2,300,000 annually, until ended by voters?

YES _____ NO _____

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2) Said County election shall be held and conducted, the votes received and canvassed, the returns thereof made, and the result thereof ascertained and determined in accordance with the law, including but not limited to the provisions of Section 10418 of the Elections Code.

3) Said special County election hereby called shall be and hereby is consolidated with any and all elections also called to be held throughout the County on June 7, 2022, in all respects as required by and pursuant to law, including but not limited to the provisions of Section 10418 of the Elections Code.

4) In accordance with the provisions of Section 9160 of the Elections Code, the County Counsel is hereby directed to prepare an impartial analysis of this measure.

5) In accordance with the provisions of Section 9160 of the Elections Code, the County Auditor-Controller-Treasurer-Tax Collector is hereby directed to prepare a fiscal impact statement of this measure.

6) Arguments for and against this measure may be submitted in conformance with Elections Code Section 9161, *et seq.*

7) The Clerk of the Board of Supervisors shall file a copy of this Resolution with the County Clerk.

BE IT FURTHER RESOLVED AND ORDERED THAT the Santa Cruz County Elections Department is requested to print the proposed ordinance attached hereto as Exhibit 1 in the County Voter Information Guide for the June 7, 2022, election date.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 15th day of February 2022, by the following vote:

AYES: Supervisors: Friend, Coonerty, Caput, McPherson, and Koenig

NOES: None

ABSENT: None



ATTEST:

DocuSigned by:
Stephanie Cabrera
2F79EA01AD52447...

Stephanie Cabrera
Clerk of said Board

DocuSigned by:
Manu Koenig
43369812764640D...

Manu Koenig, Chairperson
Board of Supervisors

Approved as to form:
Jason M. Heath
AF757CF913B5419...

Jason M. Heath 2/3/22 (AMS12058)
Office of the County Counsel

Exhibit 1

ORDINANCE NO. _____

**ORDINANCE AMENDING CHAPTER 4.24 OF THE SANTA CRUZ COUNTY CODE
CONCERNING THE TRANSIENT OCCUPANCY TAX**

The Board of Supervisors of Santa Cruz County ordains as follows:

SECTION I

Section 4.24.030 of the Santa Cruz County Code is hereby amended to read as follows:

4.24.030 Imposition—Amount.

For the privilege of occupancy in any transient occupancy facility that is a hotel, motel, inn, or similar commercial lodging facility, such transient is subject to and shall pay a tax in the amount of 12 percent of the rent charged. For the privilege of occupancy in any transient occupancy facility that is a vacation rental property, such transient is subject to and shall pay a tax in the amount of 14 percent of the rent charged. Such tax constitutes a debt owed by the transient to the County which is extinguished only by payment to the operator or to the County. The transient shall pay the tax to the operator of the transient occupancy facility at the time the rent is paid. If the rent 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 transient occupancy facility. If for any reason the tax due is not paid to the operator of the transient occupancy facility, the Tax Administrator may require that such tax shall be paid directly to the Tax Administrator.

SECTION II

This ordinance shall take effect on January 1, 2023.

PASSED AND ADOPTED this ____ day of _____, 2022, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSENT:	SUPERVISORS
ABSTAIN:	SUPERVISORS

Chairperson of the Board of Supervisors

Exhibit 1

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

Office of the County Counsel