



Transient Occupancy Tax Measure

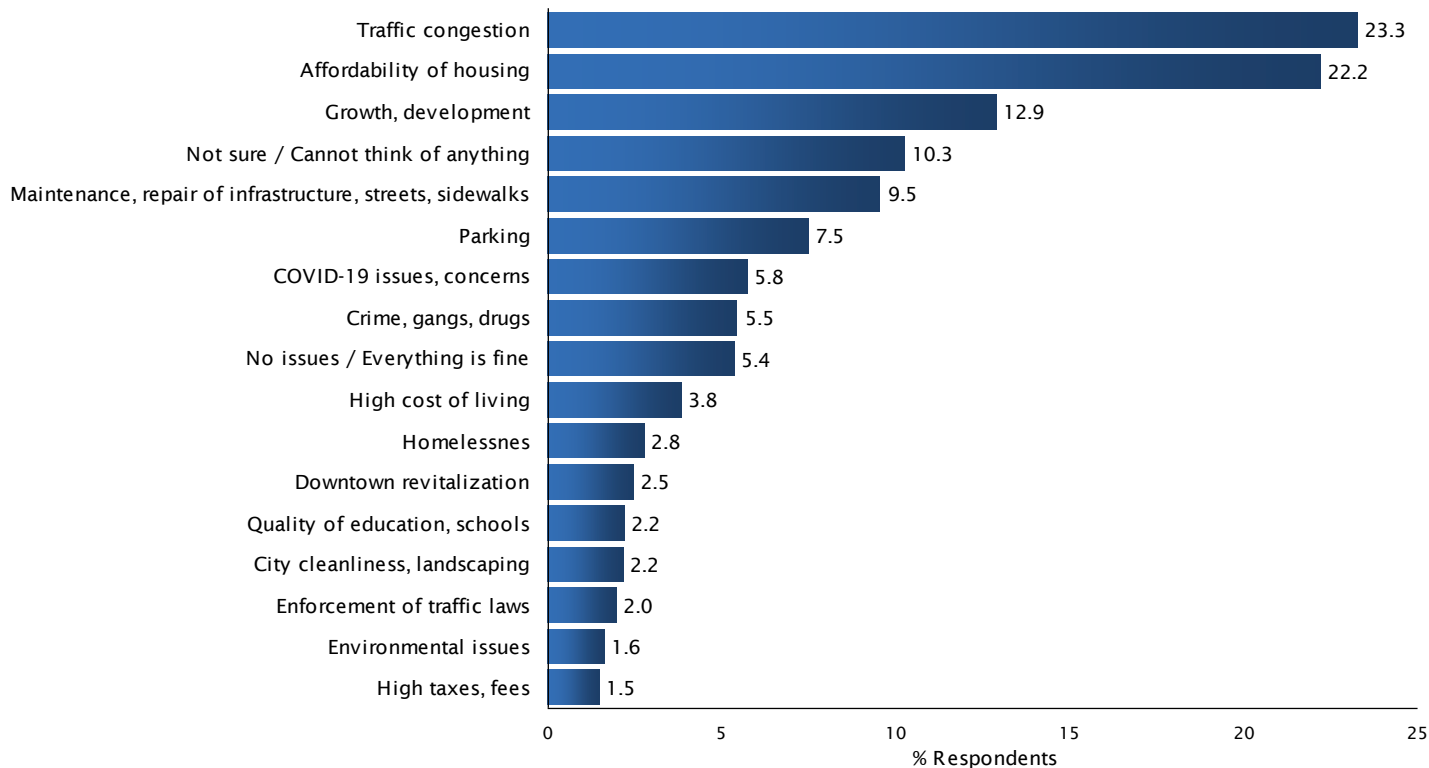
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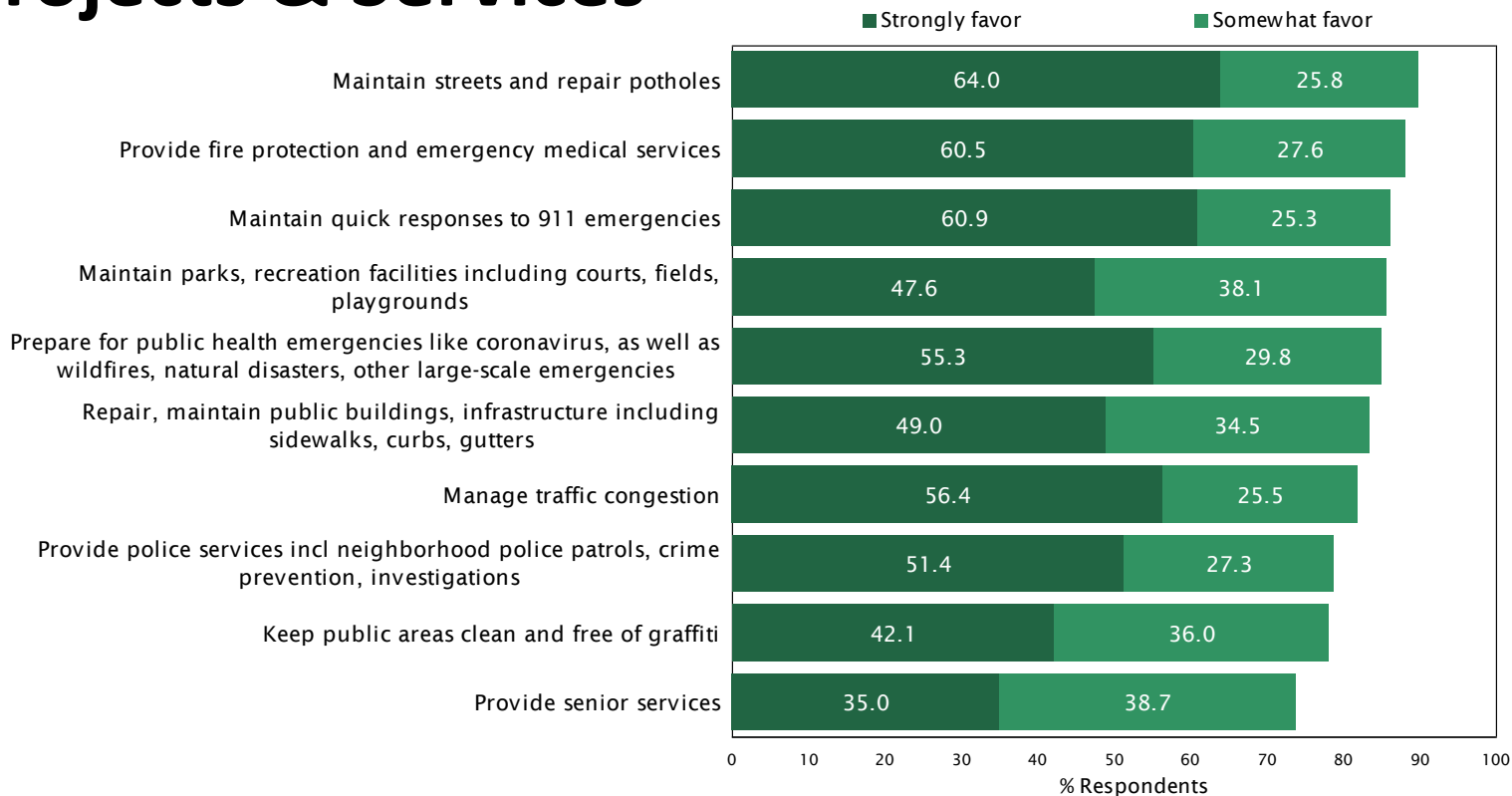
Background

- City's budget is facing a \$7.8 million structural deficit
- Fiscal sustainability plan
- Council direction to explore an increase to the City's hotel transient occupancy tax (TOT)
 - Current TOT is 12% - proposal is to increase it to 14%
- Survey on feasibility of TOT issued between May 19-29
 - Support was 72% after voters learned about measure

Issues Facing San Mateo



Projects & Services





Proposed Hotel Tax Measure

- 2% increase – bring San Mateo's TOT to 14%
- Anticipated \$1 million in additional annual revenue
- Only applies to overnight guests of hotels, motels, short-term rentals
- General tax – requires 50% +1 voter approval

Proposed Ballot Language

To fund general city services such as:

- Maintaining streets and repairing potholes;
- Providing fire, paramedic, and 9-1-1 emergency response;
- Managing traffic congestion;
- Maintaining parks, recreation and community facilities, infrastructure, and general city services

Shall an ordinance be adopted increasing the City of San Mateo's existing transient occupancy (hotel) tax paid by hotel/motel guests to 14%?

Council Actions

Motions to:

1. Adopt a resolution to call a general municipal election on Nov. 3, 2020 for the purpose of submitting a proposed ordinance to increase the City's transient occupancy tax by 2%
2. Introduce an ordinance to amend provisions of Chapter 3.56 Transient Occupancy Tax of the San Mateo Municipal Code to increase the City's existing hotel transient occupancy tax by 2%
3. Approve the primary argument in support of the measure to be included in the voter information pamphlet and (direction on rebuttal argument)

Ballot Arguments

(primary published Aug. 14,
rebuttal due Aug. 24)

Motion to approve the primary argument in support of the measure to be included in the voter information pamphlet and...

Options for rebuttal argument:

1. Delegate subcommittee to write and submit a rebuttal argument on behalf of council
2. Direct subcommittee to draft rebuttal argument for council review at the Aug. 17 meeting
3. Direct subcommittee to draft rebuttal and hold a special meeting before Aug. 24 for council review

Thank You

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