

1 **RESOLUTION NO. 19-_____**

2 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH,**
3 **CALIFORNIA, ORDERING THE SUBMISSION TO THE QUALIFIED VOTERS OF A**
4 **PROPOSED ORDINANCE, REGARDING AN INCREASE OF THE TRANSIENT**
5 **OCCUPANCY TAX (HOTEL BED TAX) FROM 12% TO UP TO 14%, AT THE GENERAL**
6 **MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2019, AS**
7 **CALLED BY RESOLUTION NO. 19-7188**

8 **WHEREAS,** the City Council of the City of Hermosa Beach, at its meeting of June 11,
9 2019, adopted Resolution No. 19-7188, calling for the holding of a General Municipal Election on
10 Tuesday, November 5, 2019; and

11 **WHEREAS,** by this Resolution, the Hermosa Beach City Council places a measure on the
12 November 2019 ballot for consideration by the voters adoption of an Ordinance to authorize the
13 City Council, without a further vote of the people, to increase the rate of the transient occupancy
14 tax paid by hotel/motel and other short-term guests from its current rate of 12% to a maximum of
15 14%; and

16 **WHEREAS,** The transient occupancy tax is paid only by guests who stay in local hotels and
17 other lodgings and is a mechanism for out-of-town visitors to pay their fair share of their use of City roads,
18 parks, the beach, public safety and other City services; the tax is not paid by Hermosa Beach residents; and

19 **WHEREAS,** revenues from the transient occupancy tax remain entirely in the City, are controlled
20 by the City and are used for unrestricted general municipal purposes such as public safety, infrastructure,
21 street repair and park improvements; and

22 **WHEREAS,** an increase of 2% in the transient occupancy tax is estimated to raise approximately
23 \$550,000, which would be used by the City to protect the residents' quality of life and property values and
24 continue to provide excellent quality services that keep our City safe, clean and well-maintained; and

25 **WHEREAS,** This Ordinance allows the City Council, without a further vote of the people,
26 to maintain the transient occupancy tax at a rate deemed appropriate by the Council, subject to a
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1 maximum of 14% , in order that the City’s transient occupancy tax keep pace with that of
2 comparable destination cities.

3 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA**
4 **BEACH, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND**
5 **ORDER AS FOLLOWS:**

6 **SECTION 1.** That pursuant to the requirements of the laws of the State of California the
7 City Council of the City of Hermosa Beach does order submitted to the voters at the General
8 Municipal Election on Tuesday, November 5, 2019, the following question, which requires the
9 approval of a majority (50% plus 1) of those casting votes:

Shall an ordinance be adopted authorizing the City Council to increase the transient occupancy tax paid by hotel/motel guests from 12% to up to 14% of room revenue raising approximately \$550,000 annually to be controlled and used locally for general municipal services in Hermosa Beach such as police, fire, and paramedic services, infrastructure/street repairs, and park upgrades, until ended by voters?	YES	NO

14
15 **SECTION 2.** That the text of the ordinance submitted to the voters is attached as Exhibit
16 “A.”

17 **SECTION 3.** That in all particulars not recited in this resolution, the election shall be held
18 and conducted as provided in Resolution No. 19-7188 and by law for holding municipal elections.

19 **SECTION 4.** That notice of the time and place of holding the election is given and the
20 City Clerk is authorized, instructed and directed to give further or additional notice of the election,
21 in time, form and manner as required by law.

22 **SECTION 5.** That in the event the ordinance is approved by a majority vote of the
23 electors, and upon certification of the results of the November 5, 2019 election, the Mayor and
24 City Clerk are hereby authorized and directed to attest to said approval.
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26 **SECTION 6.** This resolution shall take effect immediately. The City Clerk shall certify
27 to the passage and adoption of the Resolution and enter it into the book of original Resolutions,
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and shall make a minute of the passage and adoption thereof in the minutes of the meeting at which the Resolution is adopted.

PASSED, APPROVED and ADOPTED this 9th day of July, 2019.

PRESIDENT of the City Council and **MAYOR** of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

ORDINANCE NO. _____

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

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

6 **Section 1.** Recitals.

7 A. The purpose of this Ordinance is to authorize the City Council, without a further
8 vote of the people, to increase the rate of the transient occupancy tax paid by hotel/motel and
9 other short-term guests from its current rate of 12% to a maximum of 14%.

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

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

17 D. An increase of up to 2% in the TOT/hotel tax is estimated to raise approximately
18 \$550,000, which would be used by the City to protect the residents' quality of life and property
19 values and continue to provide excellent quality services. By keeping the city safe, clean and
20 well-maintained, updating the hotel tax protects the quality of life and property values for local
21 residents while keeping Hermosa Beach a special place to live, work and play.

22 E. This Ordinance allows the City Council, without a further vote of the people, to
23 maintain the transient occupancy tax at a rate deemed appropriate by the Council, subject to a
24 maximum of 14% absent another vote of the people.

25 F. The City's excellent public safety services continue to contribute to the quality of
26 life residents have come to expect and deserve in Hermosa Beach. Public safety has consistently
27 been a top priority for the City and residents. Updating the hotel tax helps maintain local public
28 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 any amount up
to but not to exceed fourteen percent of the rent or bill charged by the operator, as

1 determined by ordinance of the City Council amending paragraph B of this section.
2 Said tax constitutes a debt owed by the transient to the city which is extinguished
3 only by payment to the operator of the hotel, motel, hostel, hospital, or other
4 permitted short term accommodation at the time the rent or bill is paid. If the rent
5 or bill is paid in installments, a proportionate share of the tax shall be paid with
6 each installment. The unpaid tax shall be due upon the transient's ceasing to
7 occupy space in the hotel, motel, hostel, hospital or other permitted short term
8 accommodation. If for any reason the tax due is not paid to the operator, the tax
9 administrator may require that such tax shall be paid directly to the tax
10 administrator.

11 B. Pursuant to the authority set forth in paragraph A of this section, the
12 current tax rate is 12 percent.

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

15 _____
16 **PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California

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18 ATTEST:

APPROVED AS TO FORM:

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20 _____
21 City Clerk

City Attorney