City Attorney's Impartial Analysis

Measure C

The Solana Beach City Council placed Measure C on the ballot. If approved, Measure C would increase the City of Solana Beach's ("City") existing transient occupancy tax ("TOT") and would modernize certain TOT provisions. The TOT is only paid by persons staying at a hotel or other lodging who are defined as "Transients" by existing law. "Operator" collects the TOT from transients on the City's behalf. TOT revenue collected by the operator is then remitted to the City. Measure C also addresses recent market changes.

Currently, the City charges a 13% TOT. If approved, this Measure would increase the TOT rate by 1% for a total of 14% and would generate an estimated $250,000 per year in additional revenue. The Measure's 1% increase is a "general tax." Thus, revenue generated by the Measure is unrestricted and may be used for any general governmental purpose of the City.

Under the Measure, "Hotel" is broadly defined by the TOT ordinance to include any structure occupied or intended or designed for occupancy by transients (30 days or less) like hotels, inns, tourist homes, and short-term rentals.

The TOT paid is calculated based upon "rent" that is charged by operators. This Measure defines "Rent" to include cleaning fees, resort fees, parking fees, pet fees, extra guest fees, cancellation charges, WIFI/Internet charges, and any other fees, rates and charges as part of the total "rent" charged, but excludes fees, rates and charges not collected directly.

This Measure also modernizes the TOT ordinance so that, if a web- or application-based hosting platform, online travel company, or third-party booking vendor that facilitates rentals and payments for rentals is used, the hosting platform, online travel company, or third-party booking vendor is considered an agent of the operator for the purposes of collecting and remitting the TOT to the City.

This Measure also makes provisions of state law applicable within the City's jurisdictional boundaries. Government Code Section 50990 et seq. allows the City to access certain records of short-term rental facilitators and to audit the receipt of transient occupancy tax due and payable to the City in certain circumstances.

A "yes" vote favors the Measure. A "no" vote opposes the Measure. This Measure requires a simple majority of votes in favor to pass (50% + 1).

The above statement is an impartial analysis of the Measure. If you desire a copy of the Measure, please call the City of Solana Beach's City Clerk's Office at (858) 720-2420 and a copy will be mailed at no cost to you.

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City of Solana Beach