



Sonoma County Board of Supervisors

**West County Transient Occupancy Tax
Presentation – November 30, 2020**

Background

- At the November 10 Board of Supervisors (BOS) meeting Fire and Emergency Medical stake holders requested that a planned TOT Tax analysis be accelerated
- BOS supported request and directed staff to return with an ordinance to place a TOT measure on the March Ballot
- At the request of Sup. Hopkins an expanded tax area and scope was presented to the BOS on November 17



Proposed Tax Measure

- Creates the West County TOT Tax Area to mitigate the tourist impacts upon West County
- Increases TOT taxes paid by hotels, motels, and vacation rentals.
- Operators will collect from guests in this area 16% vs. 12% in the rest of County
- Tax is estimated to generate \$2.7 million annually
- Tax is effective beginning July 1, 2021
- Tax is in effect until repealed or amended by voters



Proposed Tax Measure - Continued

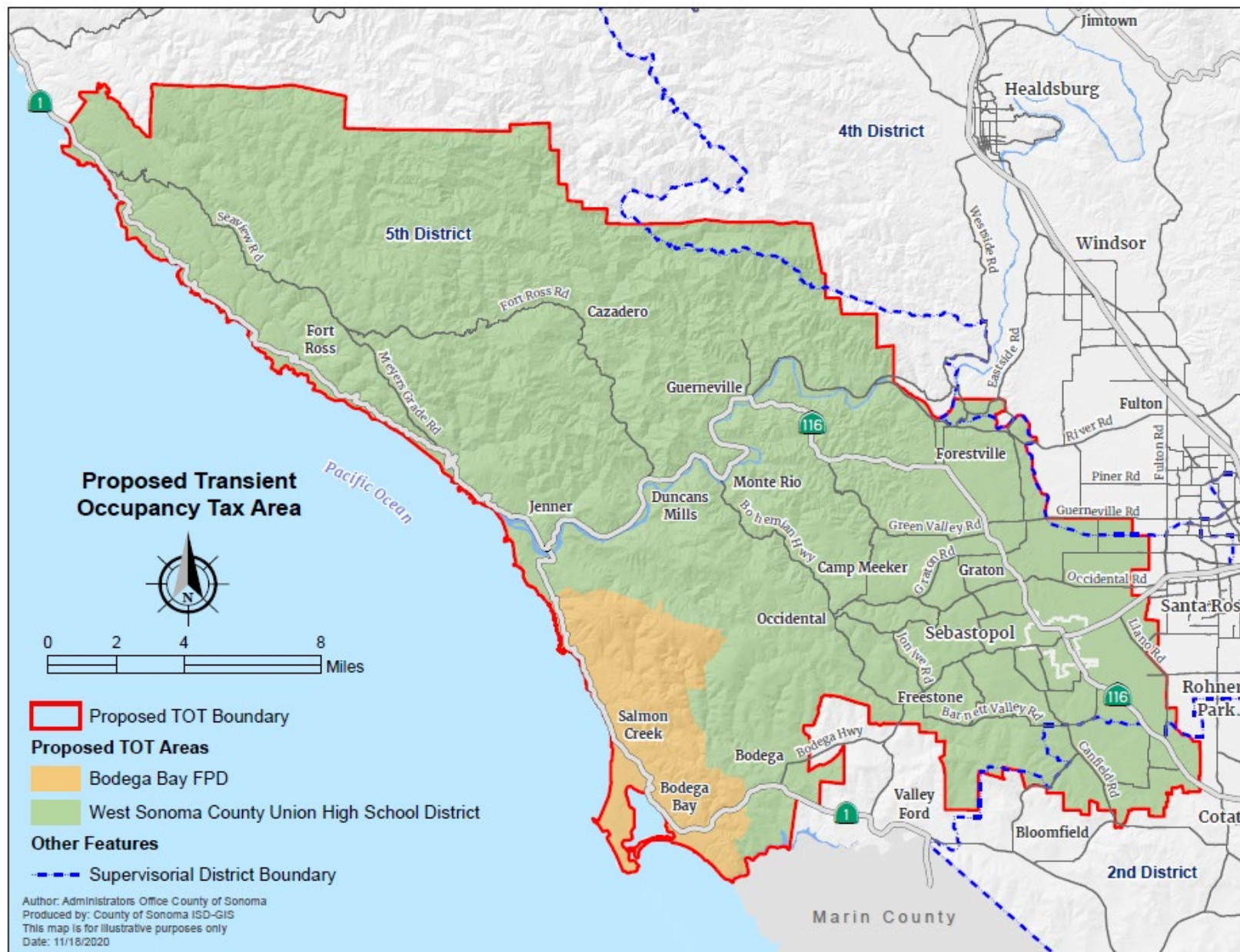
- Half of tax proceeds will benefit West County Emergency Medical/Rescue Services (EMS)
- Half of tax will benefit education and school unification efforts
- Tax benefiting EMS must be spent on EMS services and West County fire agency consolidation efforts
- An annual spending plan is required for the EMS tax
- The education/school portion requires an educational advisory committee to provide recommendation to the BOS regarding the expenditure of the tax



Ordinance Revisions

- BOS approved revisions to the ordinance on November 24
- Revisions include:
 - Added “striving to” subsection 11.2.d
 - Composition of Educational Advisory Committee in subsection 11.2.e was revised as follows:
 - 2 Educators or Classified Staff vs 1 Educator
 - 2 Administration level (superintendents, administrators, or trustees) vs 1 admin
 - 1 TOT area business community representative was added
 - At least two school districts will be represented on the Committee
 - Representation should be a geographically equitable group





Process to Place Tax on Ballot

- BOS must approve an ordinance before December 4 to place tax on the March 2021 Ballot
- BOS approved the 1st reading of the ordinance on November 17
- Revised 1st reading of ordinance scheduled for November 24
- A notice publicizing a summary of the ordinance and public hearing was published on November 25
- Adoption of ordinance requires a 4/5ths vote of BOS



Ballot Question

To address tourism impacts on West County communities and paid only by guests, shall the measure be adopted to increase the transient occupancy tax in West County by 4% for hotels and short-term rentals, to support sustainable paramedic emergency medical and rescue services provided by local fire agencies, and to support West County schools and education, raising approximately \$2.7 million annually, with all funds exclusively used for West County, effective until amended/repealed?



Next Steps if Tax is Approved

- Tax must be approved by 2/3 of voters to pass
- If approved, grant agreements may be required with Board of Supervisor-determined recipients
- The Auditor-Controller-Treasurer-Tax-Collector will begin collecting the tax on July 1, 2021
- The timing and the frequency of the distribution of the tax has yet to be determined



Thank you

