



## Legislation Details (With Text)

**File #:** 2020-1221  
**Type:** Regular Calendar Item **Status:** Agenda Ready  
**File created:** 11/16/2020 **In control:** County Administrator  
**On agenda:** 11/30/2020 **Final action:**  
**Title:** Adoption of West County Transient Occupancy Tax Ordinance and Call Election on Same  
**Sponsors:** County Administrator  
**Indexes:**  
**Attachments:** 1. Summary, 2. Attach A - Resolution Calling Special Election, 3. Attach B - TOT Ordinance, 4. Attach C - Boundary Map, 5. Attachment D - Marin TOT Ordinance, 6. TOT Ordinance PowerPoint

Date	Ver.	Action By	Action	Result
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**To:** Board of Supervisors  
**Department or Agency Name(s):** County Administrator's Office  
**Staff Name and Phone Number:** Terri Wright 565-3775  
**Vote Requirement:** 4/5th  
**Supervisory District(s):** Fifth District

**Title:**  
Adoption of West County Transient Occupancy Tax Ordinance and Call Election on Same

### Recommended Action:

Conduct a public hearing and consider whether to:

- Adopt an ordinance amending Article III, Chapter 12 of the Sonoma County Code to establish the West County Transient Occupancy Tax Area and increase the transient occupancy tax in that area by 4%, with revenue being dedicated to enhance first response emergency medical services provided by local fire agencies, to support the consolidation of local fire agencies, and to support West County schools and education opportunities. If the ordinance is adopted, it will be placed on the ballot at the March 2, 2021 election and will become effective July 1, 2021 if it is approved by a two-thirds majority of the voters voting on the measure.
- Adopt a resolution calling a special election to submit to voters of Sonoma County the proposed West County Area Transient Occupancy Tax ordinance, and ordering that the election be consolidated with the special election conducted on March 2, 2021.

(4/5<sup>th</sup> Vote Required)(Fifth District)

### Executive Summary:

On November 24, 2020, the Board of Supervisors adopted a resolution introducing, reading the title of, and waiving further reading of a proposed ordinance to establish the West County Transient Occupancy Tax Area and increase the transient occupancy tax in that area by 4%, with revenue being dedicated to enhance first response emergency medical services provided by local fire agencies, to support the consolidation of local fire agencies, and to support West County schools and education opportunities.

The first reading of the ordinance was approved by the Board on November 17. However, based on feedback received from stakeholders the following changes were proposed for the ordinance:

1. The make-up of Education Advisory Committee were revised to include representatives from classified staff and the business community and strive for geographical representation.
2. The word striving was added to clarify the intent of the ordinance regarding maintaining existing school facilities.

The proposed changes required a new first reading of the ordinance, which was approved by the Board on November 24, 2020.

The actions before you requests adoption of the proposed ordinance and if approved would set forth the actions necessary to place the item on the March 2, 2021 ballot.

### **Discussion:**

#### Background

On November 10, 2020, the Board considered an agenda item that would have authorized staff to conduct a TOT revenue/policy analysis for the Bodega Bay area as a way to mitigate emergency medical/rescue impacts associated with tourism in the area. Staff was prepared to conduct an analysis similar to what was done by the County of Marin for its west county area and return within 90 days to provide policy options for the Board. At the request of stakeholders during the November 10 meeting, the Board directed staff to expedite the effort and return with an item to consider the adoption of a TOT ordinance for the March 2021 ballot.

While a primary consideration of the November 10 item was to specifically identify revenue solutions for the Bodega Bay Fire Protection District (FPD) in the furtherance of the Board's policy to improve fire services through consolidations, staff was also prepared to analyze the approach that Marin County took, which included both a broader tax area and scope. The broader tax area proposed with this ordinance is also consistent with past sphere of influence proposals by the Sonoma County Local Formation Commission (LAFCO) and upcoming annexations within the area.

In addition to expanding the tax boundary area, the proposed scope of benefit and services for the tax has also been expanded to provide funding to West County schools, which have also been disproportionately impacted by vacation rental tourism. Staff recognizes that this is broader than what was proposed by the November 10 board item, but we note that we would likely have analyzed an expansion of this nature for two reasons: 1) The Marin County effort looked at housing policies in addition to fire and emergency services, 2) The need associated with overall impacts upon West County schools to assist with their regional unification efforts.

The findings contained in the proposed ordinance provide a summary of the impacts and needs that the proposed tax seeks to mitigate. The funding to support West County schools is intended to represent stop-gap funding that mitigates impacts that are expected to be rectified by regional unification, at which time the Board of Supervisors reserves the authority to allocate the funds in a manner that best supports community-based programs that support the education of West County residents.

Lastly, the proposed tax would increase TOT taxes in this area by 4%, which will yield a tax rate of 16% in the tax area. Staff has not had time to analyze statewide TOT tax rates, but can confirm the TOT tax rate for San Francisco County and the West Marin portion of Marin County is 14.

If approved by two-thirds of voters, the tax will become effective beginning July 1, 2021 giving staff enough time to put in place the necessary agreements and process changes to collect the tax from operators.

**Prior Board Actions:**

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**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Adopted</b>	<b>FY21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses	183,000		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>183,000</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	183,000		
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>183,000</b>	<b>0</b>	<b>0</b>

**Narrative Explanation of Fiscal Impacts:**

The Registrar of Voters estimates the cost of this election to range between \$93,000 to \$183,000. If the tax is approved by voters, then the cost of the election will be covered by the tax. If the measure does not pass, Supervisor Hopkins has agreed to use District 5 Tourism Impact Funds to cover election costs. Staff estimate that District 5 will have approximately \$155,000 from Tourism Impact funds. Therefore, District Formation funds authorized at the November 10 meeting for tax measure exploration may be necessary to cover the remaining costs.

**STAFFING IMPACTS:**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Attachment A: Resolution Calling Special Election

Attachment B: Proposed Ordinance

Attachment C: West County TOT Tax Boundary Area Map

Attachment D: West Marin County TOT Ordinance

**Related Items “On File” with the Clerk of the Board:**

N/A