



# County of Santa Cruz

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## BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069

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**JANET K. BEAUTZ**  
FIRST DISTRICT

**ELLEN PIRIE**  
SECOND DISTRICT

**MARDI WORMHOUDT**  
THIRD DISTRICT

**TONY CAMPOS**  
FOURTH DISTRICT

**JEFF ALMQUIST**  
FIFTH DISTRICT

AGENDA: 6/25/02

June 19, 2002

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

**RE: TRANSIENT OCCUPANCY TAX BALLOT MEASURE**

Dear Members of the Board:

**As** you know, the hospitality and lodging industry is proposing an industry-supported, one percent increase in the Transient Occupancy Tax from 10 percent to 11 percent, with the increase dedicated solely to funding the Santa Cruz County Conference and Visitors Council.

The tax increase would enable local governments to eventually use the funding currently allocated to the Conference and Visitors Council for other programs. For the County of Santa Cruz, this is \$277,000 annually.

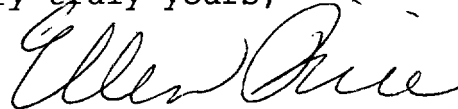
I believe this proposal offers us a partial solution to the budget crisis by placing the burden of funding tourist services directly on the tourism industry. It comes at a time when many public services are facing severe budget cuts and ensures the ability of the Conference and Visitors Council to market Santa Cruz as a tourist destination.

The Conference and Visitors Council has asked for our assistance in placing the measure on the November, 2002, ballot.

BOARD OF SUPERVISORS  
June 19, 2002  
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Accordingly, I recommend that the Board adopt the attached resolution submitting a special tax measure to the voters of the unincorporated area on the November 5, 2002, ballot for the purpose of increasing the Transient Occupancy Tax.

Very truly yours,



ELLEN PIRIE, Supervisor  
Second District

EP :pmp  
Attachments

cc: Santa Cruz County Conference and Visitors Council  
Hospitality and Lodging Association

1340K2

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor  
duly seconded by Supervisor  
the following resolution is adopted

RESOLUTION SUBMITTING A MEASURE FOR APPROVAL TO  
THE VOTERS, CALLING ELECTION THEREON FOR NOVEMBER 5, 2002,  
AND ORDERING CONSOLIDATION THEREOF

WHEREAS, the hospitality and lodging industry is proposing an industry-supported, one percent increase in the Transient Occupancy Tax which is charged to guests of hotels and motels; and

WHEREAS, this proposal would increase the tax from 10 percent to 11 percent; and

WHEREAS, the increase would be dedicated solely to funding the County's share of costs for the Santa Cruz County Conference and Visitors Council; and

WHEREAS, the Conference and Visitors Council is vital to the health of the local tourism industry and the economic vitality of Santa Cruz County; and

WHEREAS, approval of the tax increase would enable the County of Santa Cruz to eventually use the funding currently supplied to the Conference and Visitors Council for other programs; and

WHEREAS, this proposal offers the County of Santa Cruz a partial solution to the budget crisis by placing the burden of funding tourist services directly on the tourism industry; and

WHEREAS, this allows the Conference and Visitors Council to protect the local economy by continuing tourism promotion; and

WHEREAS, subsection (d) of § 2 of Article XIII C of the California Constitution requires that before the County may impose a special tax, the tax must be submitted to the electorate and approved by a two-thirds vote; and

WHEREAS, it is appropriate that a County election be held in accordance with law for the purpose of submitting to the voters the question of whether to authorize the Board of Supervisors to amend the County Code by providing for a transient occupancy surtax as described in the attached Ordinance (Exhibit "A"), thereby imposing a special tax; and

RESOLUTION SUBMITTING A MEASURE FOR APPROVAL TO THE VOTERS,  
CALLING ELECTION THEREON FOR NOVEMBER 5, 2002, AND ORDERING  
CONSOLIDATION THEREOF

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NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz as follows:

1. A ballot measure is hereby submitted to the voters of the County of Santa Cruz at the regular election date of November 5, 2002, and an election thereon is hereby called to be held on that date.
2. Said measure would authorize the Board of Supervisors to impose a special tax through the enactment of an ordinance establishing a 1% surtax, after approval by two-thirds of the votes cast by voters voting upon said measure.
3. Said County election shall be held and conducted, the votes received and canvassed, and the returns thereof made and the result thereof ascertained and determined in accordance with law.
4. The ballot question shall be as follows:

TOURISM PROMOTION -- TRANSIENT OCCUPANCY SURTAX.

Shall the Board of Supervisors be authorized to impose a special tax through enactment of an ordinance establishing a 1% surtax on rent charged to guests of hotels and other transient accommodations located within the unincorporated area of Santa Cruz County, in addition to the amount now payable under the County's existing Uniform Transient Occupancy Tax, for the purpose of protecting the local economy by the promotion of tourism in Santa Cruz County?

\_\_\_\_\_ YES                      \_\_\_\_\_ NO

5. The Clerk of the Board is hereby ordered and directed to file a copy of this Resolution with the County Clerk.
6. The Board of Supervisors of the County of Santa Cruz hereby orders consolidation of the election called herein for November 5, 2002, with any and all other elections in the County of Santa Cruz called to be held on the same day in the same territory or in territory that is in part the same.

RESOLUTION SUBMITTING A MEASURE FOR APPROVAL TO THE VOTERS,  
 CALLING ELECTION THEREON FOR NOVEMBER 5, 2002, AND ORDERING  
 CONSOLIDATION THEREOF  
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7. In accordance with the provisions of Section 9160 of the California Elections Code, the County Auditor-Controller is hereby directed to prepare a fiscal impact statement of this measure, and the County Counsel is directed to prepare an impartial analysis of this measure. Arguments for and against this measure may be submitted in conformance with California Elections Code Sections 9161 and following.

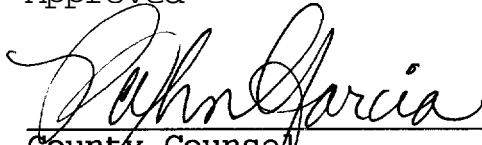
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this \_\_\_\_\_ day of \_\_\_\_\_, 2002, by the following vote:

AYES : SUPERVISORS  
 NOES : SUPERVISORS  
 ABSENT: SUPERVISORS  
 ABSTAIN: SUPERVISORS

\_\_\_\_\_  
 JANET K. BEAUTZ, Chairperson  
 Board of Supervisors

ATTEST: \_\_\_\_\_  
 Clerk of the Board

Approved as to form:

  
 \_\_\_\_\_  
 County Counsel

DISTRIBUTION: County Counsel  
 County Administrative Office  
 County Clerk/Elections  
 Treasurer  
 Santa Cruz County Conference and Visitors Council

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## Exhibit A

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING CHAPTER NO. 4.24 OF THE  
SANTA CRUZ COUNTY CODE BY ADDING SECTION 4.24.031  
RELATING TO THE ESTABLISHMENT OF A 1% SURTAX**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

**SECTION I**

Chapter 4.24 of Title 4 of the Santa Cruz County Code is hereby amended by adding Section 4.24.031 thereto, said new section to read as follows:

**4.24.031 Surtax.**

**A.** For the privilege of occupancy in any transient occupancy facility, such transient is subject to and shall pay a surtax of one percent of the rent charged on the same terms and conditions under this Chapter, in addition to the tax imposed pursuant to Section 4.24.030.

**B.** The County Treasurer shall establish a Conference and Visitors Promotion Fund within the County General fund and shall deposit all revenue generated by this surtax into the Conference and Visitors Promotion Fund.

**C.** Revenue in the Conference and Visitors Promotion Fund shall be used exclusively for the promotion of tourism in Santa Cruz County and no other purpose. In order to carry out this purpose, the Board shall annually contract with the Santa Cruz County Conference and Visitors Council (hereafter "the Council"), which is a non-profit corporation doing business in the County and established for the purpose of promoting tourism within the County.

**D.** The Board shall require the Council to submit an annual accounting of the use of funds provided pursuant to this section, setting forth with particularity and in accordance with generally accepted accounting standards the amount and nature of all such expenditures.

**E.** The Council shall make available to the County Administrator or County Treasurer all of its books, records, and accounts for examination or audit upon reasonable notice and which in any manner relate to the expenditure of funds provided pursuant to this section.

## SECTION II

This ordinance shall take effect on the 31st day after the date **of** final passage.

PASSED **AND** ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2002, by the Board of Supervisors **of** the County **of** Santa Cruz by the following vote:

AYES :           SUPERVISORS  
**NOES** :           SUPERVISORS  
 ABSENT:          SUPERVISORS  
 ABSTAIN:        SUPERVISORS

\_\_\_\_\_  
 Chairperson of the  
 Board of Supervisors

Attest: \_\_\_\_\_  
 Clerk **of** the Board

APPROVED AS TO FORM:



\_\_\_\_\_  
 Assistant County Counsel

DISTRIBUTION: County Counsel  
 County Administrative Office  
 County Clerk/Elections  
 Treasurer  
 Santa Cruz County Conference and Visitors Council

1340K2



June 17, 2002

Supervisor Ellen Pirie  
Santa Cruz County Board of Supervisors  
701 Ocean Street, Room 510  
Santa Cruz, CA 95060

Dear Supervisor Pirie:

On behalf of the Santa Cruz County Conference and Visitors Council (CVC) Board of Directors we would respectfully request your support in sponsoring an agenda item regarding a proposed ballot measure for November of 2002.

The Santa Cruz County Lodging Association and the Hospitality Alliance have proposed an industry supported one-percent increase in the transient occupancy **tax** (TOT). This increase would be dedicated to the Santa Cruz County Conference and Visitor's Council for the purpose of promoting tourism.

Unanimously endorsed by the CVC Board of Directors, this proposal would reduce the current funding burden on government entities for tourism promotion. The one percent increase in the TOT would create an increased revenue source through the tourism industry to fund its own visitor services and marketing efforts.

Tourism spending and related local **tax** receipts have been negatively impacted due to the recession, regional economic hardship in major tourism markets such as Silicon Valley and the events of September 11. The industry feels the collaborative efforts offered through the CVC partnership are needed more than ever to ensure the future health of the industry and consequently the local economy.

The proposed ballot measure provides the opportunity for enormous community benefit by ensuring consistent attention to one of the County's top economic generators. This initiative also provides an opportunity to further support a long-standing successful public/private partnership between the CVC and the County Board of Supervisors and staff.

Tourism industry representatives are respectfully requesting that the Board of Supervisors approve a resolution placing the proposed ballot measure on the November 2002 ballot.

Sincerely,

Maggie Ivy  
CEO/ Executive Vice President