



COUNTY OF HUMBOLDT

For the meeting of: 3/8/2022

File #: 22-285

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

Adoption of an Ordinance of the Board of Supervisors of the County of Humboldt Amending Sections 712-2(b) and 712-3 of Chapter 2, Division 1 of Title VII to the Humboldt County Code Relating to the Transient Occupancy Tax and Placement of the Ordinance on June 7, 2022, Ballot.

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt Ordinance No. ____, Amending Sections 712-2(b) and 712-3 of Chapter 2, Division 1 of Title VII to the Humboldt County Code Relating to the Transient Occupancy Tax (Attachment 2); and
2. Approve the attached resolution and ballot statement (Attachment 4) to Amend the Transient Occupancy Tax (TOT) to be placed before the voters of Humboldt County on June 7, 2022.

SOURCE OF FUNDING:

General Fund (1100), Hotel Motel Tax (107010)

DISCUSSION:

Today's action will adopt the attached ordinance which changes the transient occupancy rate from 10 to 12 percent and modifies the definition of "living space" to include certain campgrounds and overnight recreational vehicle parks. As these are changes to a general tax, the ordinance will ultimately need to be approved by a majority of voters within the county. The second proposed action today will adopt a resolution placing the measure on the ballot.

As discussed on March 1, 2022, a locally controlled hotel tax TOT measure, if enacted, would generate an approximated \$3,080,000 annually. The funds from the measure go into the county's General Fund and can be used to provide for basic county services including parks and recreation, public safety, mental health, housing, healthcare, job training, economic development and other county services.

As this is a tax paid for by visitors and tourists, some funds have traditionally been allocated to return

to these industries by investing in services that help increase tourism including supporting public art, theater, local parks and of course, by providing job training programs.

FINANCIAL IMPACT:

Staff estimates that the TOT measure, if passed, would provide an additional \$880,000 annually to the General Fund, or \$3.08 million total.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by facilitating the establishment of local revenue sources to address local needs .

OTHER AGENCY INVOLVEMENT:

Humboldt County Convention and Visitors Bureau

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to adopt the ordinance and place the measure on the ballot. However, without the funding that could be generated by this measure your Board would have to find other sources of revenue to address community priorities.

ATTACHMENTS:

1. Board Order No. 22-236, dated March 1, 2022
2. Ordinance No. _____, Amending Sections 712-2(b) and 712-3 of Chapter 2, Division 1 of Title VII to the Humboldt County Code Relating to the Transient Occupancy Tax
3. Summary for Publication after Adoption of the Ordinance
4. Resolution Placing a Measure to Update the Transient Occupancy Tax Ordinance on the June 7, 2022, Ballot

PREVIOUS ACTION/REFERRAL:

Board Order No.: I-1

Meeting of: June 15, 2021; March 1, 2022

File No.: 21-756: 22-236