

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
ADOPTING AN INCREASE IN THE TRANSIENT OCCUPANCY
TAX RATE TO 13.5% PURSUANT TO MEASURE E**

WHEREAS, On November 3, 2020, 73.57% of Santa Clara voters approved the following ballot measure (Measure E) that allowed for an increase of up to four percentage points in the City's Transient Occupancy Tax (TOT) from the starting rate of 9.5%;

Transient Occupancy Tax Rates. To maintain and protect the level of essential city services including 9-1-1 emergency medical/disaster preparedness, police and fire protection, bicycle and pedestrian safety, roadways and storm drains, and other vital services including parks, recreation, libraries and senior services, shall a measure increasing the hotel tax rate up to 4%, generating up to approximately 7 million dollars annually, paid only by hotel/motel guests, until ended by voters, be adopted?

WHEREAS, the tax increase is designed to generate General Fund revenue that is used to continue to deliver high quality City services, prepare for disasters and emergencies, preserve the quality of life in neighborhoods, ensure the safety of our community, and pay for critical infrastructure needs;

WHEREAS, the TOT rate was increased from 9.5% to 11.5%, effective January 1, 2022, consistent with the FY 2021/22 and FY 2022/23 Biennial Operating Budget;

WHEREAS, the TOT rate was increased from 11.5% to 12.5%, effective January 1, 2024, consistent with the FY 2023/24 and FY 2024/25 Biennial Operating budget;

WHEREAS, the City's current Transient Occupancy Tax (TOT) rate is 12.5%; and

WHEREAS, the FY 2023/24 and FY 2024/25 Biennial Operating Budget assumed a one percentage point increase in the TOT rate effective January 1, 2024, from 11.5% to 12.5%, and a one percentage point increase in the TOT rate effective January 1, 2025, from 12.5% to 13.5%, to generate additional revenue estimated at \$1.7 million annually.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That in accordance with the authority granted to the City Council by the voters in November 2020 under Measure E, the Transient Occupancy Tax rate shall be 13.5% effective

on and after January 1, 2025.

2. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 8th DAY OF OCTOBER 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None