ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, AMENDING SECTION 3.25.030 ("TAX IMPOSED") OF CHAPTER 3.25 ("TRANSIENT OCCUPANCY TAX") OF "THE CODE OF THE CITY OF SANTA CLARA, CALIFORNIA" TO REFLECT THE INCREASED TAX RATE

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, The City's current Transient Occupancy Tax (TOT) rate is 9.5%, which is one of the lowest in the County;

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 TOT;

> **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, concurrently with this ordinance amendment, pursuant to the authorization granted by the voters in Measure E, the City Council is adopting a resolution increasing the TOT rate from 9.5% to 11.5%, which will be effective January 1, 2022; and

WHEREAS, the City Code currently reflects a TOT rate of 9.5%, which must be amended to be consistent with the TOT rate increase.

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

SECTION 1: That Section 3.25.030 (entitled "Tax Imposed") of Chapter 3.25 (entitled "Transient Occupancy Tax") of Title 3 (entitled "Revenue and Finance") of "The Code of the City of Santa Clara, California" ("SCCC") is amended to read as follows:

“3.25.030 Tax imposed.

(a) For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax as imposed from time to time by City Council resolution. Said tax shall be a percentage of the rent charged by the operator to the occupant.

(b) On and as of January 1, 2022 and continuing thereafter until further change by City Council resolution, the amount of the tax imposed is eleven and one-half percent (11.5%) of the rent charged by the operator.

(c) Said tax constitutes a debt owed by the transient to the City, which is extinguished only by payment to the operator or to the City. The transient, or any person paying rent on the transient’s behalf, shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient’s ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Director of Finance may require that such tax shall be paid directly to the Director of Finance.”

SECTION 2: **Ordinances Repealed**. With exception of the provisions protected by the savings clause, all ordinances (or parts of ordinances) in conflict with or inconsistent with this ordinance are hereby repealed.

SECTION 3: **Savings clause**. The changes provided for in this ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment rendered prior to the effective

date of this ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

SECTION 4: **Effective date**. This ordinance shall, by its terms, take effect on and as of January 1, 2022; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 28 day of September, 2022, 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