

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE CC

The Menlo Park City Council is placing Measure CC (the “Measure”) on the November 2024 general election ballot. If approved by the voters, the Measure would amend the City’s existing Transient Occupancy Tax (TOT) Ordinance set forth in Menlo Park Municipal Code Chapter 3.16 to increase the TOT from 12% to 15.5% until ended by voters.

The TOT, commonly referred to as the “hotel tax,” is a tax imposed on individuals staying in hotels, short term rentals, or other lodging for a period of 30 consecutive calendar days or less. The TOT is imposed on the rate charged by the operator of the lodging.

If approved by the voters, the TOT increase will be phased in as follows:

- Beginning January 1, 2025 the TOT will increase by 2% to a total TOT of 14%; and
- Beginning January 1, 2026, the TOT will increase by the remaining 1.5% to a total TOT of 15.5%.

In addition, the ordinance provides that the City Council may by resolution adjust the rate of the tax upwardly or downwardly without a vote of the people provided that the rate does not exceed 15.5%.

Because the Measure does not legally restrict the use of tax revenue to any specific purposes, it is classified as a “general tax,” not a “special tax.” As a general tax, the revenue collected from the TOT would go to the City's general fund, and could be used for any valid municipal government purpose. As a full service City, these services could include maintaining and repairing streets; enhancing emergency preparedness for storms, flooding, and wildfires; maintaining parks, open spaces, sports fields and children’s play structures; keeping public areas healthy, safe, and clean; maintaining park and recreation programs; and maintaining 911 emergency response and preparedness, among other things.

The Measure provides for citizens' oversight of the tax. An annual audit of revenue generated by the Measure by an independent auditor is also required.

A “Yes” vote is a vote in favor of the Measure. A “No” vote is a vote against the Measure. The Measure will be approved if it receives a simple majority of “Yes” votes.

s/ Nira Doherty

August 19, 2024

City Attorney  
City of Menlo Park

The above statement is an impartial analysis of Measure CC. The full text of Measure CC is printed in the Voter’s Information Pamphlet and is also available on the City’s website at:<https://menlopark.gov/Government/Departments/City-Managers-Office/City-Clerk/Elections/Nov.-5-2024-General-Election>

If you desire a copy of the measure, please call the City Clerk's office at 650-330-6621 and a copy will be mailed at no cost to you.