



Ballot Measure F: City of Alameda Transient Occupancy Tax Regional Parity Measure

Position: NEUTRAL

Visitors who occupy hotels, motels, and short-term rentals in Alameda City currently pay a 10% Transient Occupancy Tax (TOT). This amount is charged on the total rent for the stay. At the current rate the City receives \$2 million annually from the TOT. Measure F would increase the TOT to 14%. The additional revenue would go into the City's general funds to be used at the council's discretion. It is estimated that the increase in TOT would add \$700,000 – \$900,000 annually to the general fund. If approved, the increase would be effective January 2023.

The City states that revenues would be used for essential City services (parks, libraries, public safety, school mental health) and the measure gives council broad authority to spend as it sees fit.

PROS

- Alameda City's TOT is lower than most surrounding cities so an increase would not discourage visitors from staying in local hotels and short-term rentals.
- In contrast to the TOT in some other communities, there are no restrictions on the use of the funds, giving the City flexibility to fund its greatest needs.
- It is not a new tax just an increase to an existing one.

CONS

- The tax would make the City increasingly dependent on direct voting by citizens to determine tax sources and rates
- Perpetuates a complex tax administration system with general taxes that differ for hotels, restaurants and general retailers among other businesses
- There is no restriction on the use of funds in contrast to some cities where the tax is dedicated to a specific purpose and in others where a citizen's committee recommends how the funds should be spent.