## CITY OF VERNON MEASURE X

## **BALLOT TEXT**

Shall the measure establishing a ten percent (10%) transient occupancy tax to fund general services in the City of Vernon, such as street and sidewalk repairs, public safety, and City health services, to be paid by hotel guests staying within the City of Vernon, providing an estimated \$84,539 annual revenue for general government use until ended by voters, with all funds locally controlled, be adopted?

## CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE X

On August 13, 2023, zoning changes went into effect allowing hotels in the City of Vernon. Measure X was placed on the ballot by the City Council of the City of Vernon and, if approved by a majority of Vernon voters, will amend the Municipal Code to establish a transient occupancy tax (TOT), also generally known as a "hotel" tax, at the maximum rate of ten percent (10%) of rent paid by guests who occupy a room or space in a hotel or similar lodging (referred to herein as a "hotel") within the City, for dwelling, lodging, or sleeping purposes, for a period of thirty (30) consecutive days or less. Measure X would also clarify that the tax applies to the rent paid by the hotel guest for occupancy, whether payment is made directly to a hotel operator or to a third-party managing agent for booking purposes (such as travel companies and online short-term rental companies).

It is presently estimated that establishment of the TOT would generate a potential additional \$84,539 annually in new revenues, depending on the number of hotels actually established in the City. Because there are no existing hotels in Vernon, staff conducted an analysis of projected TOT revenue in conjunction with a third-party public finance consultant and based projected revenue on an estimate of 20 hotel rooms in the rezoned areas.

Measure X would be a "general tax". All revenue from this tax would be deposited into the City's General Fund and could be used for general City operations and services, including street and sidewalk repairs, graffiti abatement, public safety, and health services. Pursuant to State Law, a "general tax" requires approval by a majority vote of the City's voters at an election.

A "yes" vote on Measure X will approve the TOT tax.

A "no" vote on Measure X will not approve the TOT tax.

The above statement is an impartial analysis of Measure X. If you desire a copy of the Measure, please contact the City Clerk at (323) 583-8811, ext. 546, or via email at cityclerk@cityofvernon.org, and a copy will be provided at no cost to you.

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CITY CLERK DEPARTMENT

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