

MEASURE D
CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City of Calistoga City Council has placed Measure D on the ballot. The measure asks the voters whether the City should raise the current Transient Occupancy Tax ("TOT"), also known as a hotel tax, by one percent (1%). The revenues generated by the Measure would be dedicated solely for affordable and workforce housing programs and services including, without limitation, land acquisition and donation; building acquisition, rehabilitation, and demolition; housing construction; maintaining the community's supply of mobile homes; providing housing subsidies to lower income residents and/or preserving existing public subsidies for developments facing conversion to market rate.

The City of Calistoga currently imposes a TOT at the rate of twelve percent (12%) of the rent paid by guests to occupy a room or space in a hotel or other similar accommodation ("hotel"). This measure would increase the TOT by one percent (1%) to thirteen percent (13%) of the rental room rate. The TOT is paid only by persons, primarily by visitors, who rent a hotel room located with the City of Calistoga.

One percent (1%) of the TOT revenues would be placed in a separate account and not comingled with other City funds. An annual report must be filed in compliance with Government Code section 50075.3 detailing the special purpose tax revenues collected and how such revenues are expended. Because the ordinance legally restricts the use of tax revenue generated by the 1% increase in the TOT to programs and services for affordable and workforce housing, it is classified as a "special tax." A special tax must be approved by two-thirds of the electors voting on the Measure. If approved by two-thirds of the voters, the TOT increase would become operative on January 1, 2019.

A "Yes" vote is a vote in favor of the one percent (1%) increase in the TOT. A "No" vote is a vote against any increase in the TOT. This ordinance will be approved if at least two-thirds of the City of Calistoga electorate voting on Measure D vote "Yes".

The above statement is an impartial analysis of Measure D. If you desire a copy of the ordinance, please call the City Clerk's office at (707) 942-2807 and a copy will be mailed at no cost to you. You may also view the full text of Measure D at www.ci.calistoga.ca.us

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