



MEASURE B INFORMATION

Increase the City of Davis's Transient Occupancy Tax, Imposed on Occupants of Short-term Rentals Such as Hotel Rooms

What is Measure B?

Measure B would increase the City's Transient Occupancy Tax (TOT) on hotel rooms and other short-term lodging, from 10% to 12% as of August 1, 2016.

Measure B will also clarify that the TOT is based on the total rent paid by the guest, not on a discounted rate, that may be paid to a hotel operator by online travel companies or other third-party booking agents. For example, if an online booking agent charges the visitor \$100 but pays the actual hotel only \$90, the TOT is calculated based on the \$100 that the guest pays.

What is TOT?

"TOT" is often called a hotel tax and is paid by those who rent hotel rooms or other lodging in the City on a short-term basis of 30 days or less. TOT is calculated as a percentage of the cost of the room or lodging.

Why is Measure B on the ballot?

Measure B is an increase to a tax, which is required to be approved by a majority of the votes cast on the measure.

Who pays the tax if Measure B passes?

Only those who stay in a Davis hotel or other short-term lodging, generally visitors to Davis, pay the tax.

What happens if Measure B does not pass?

If Measure B does not pass, the TOT will continue to be collected at its current rate of 10%.

How long will Measure B be in effect?

If adopted, Measure B will continue in effect until repealed by the City Council or City voters.

How much TOT will Measure B raise?

Measure B is estimated to generate an additional \$240,000 in tax revenue per year. TOT is a general tax; the revenue raised from the tax goes into the City's general fund and may be used for any legal governmental purpose. The general fund pays for City services such as police protection, fire services, street maintenance, parks and recreation services, and general municipal services to the public.

What is the TOT in other local jurisdictions?

Other local jurisdictions' TOT ranges from 8% to 12%.