



AGENDA STAFF REPORT

MEETING DATE: 8/5/2025

AGENDA SECTION: STUDY SESSION

SUBJECT:

Presentation to the City Council regarding the timing of Transient Occupancy Tax (TOT) ballot measure.

RECOMMENDATION:

Recommendation: That the City Council discuss and provide direction on when to place the Transient Occupancy Tax (TOT) measure on the ballot.

Recommended Motion: Provide direction to staff to either:

1. Proceed with a special election on November 4, 2025, or
2. Wait until the general election in June 2026 to present the ballot measure to voters for increasing the Transient Occupancy Tax.

BACKGROUND:

At the July 1, 2025, City Council meeting, the City Council approved Resolution 25-39 R to give notice and hold a special election on November 4, 2025, to present to voters a measure to amend Chapter 3.24 of the Municipal Code to increase the Transient Occupancy Tax by four percent (4%) for a total of twelve percent (12%).

Most recently at the July 15, 2025, City Council meeting, the City Council requested additional analysis regarding the cost-benefit of holding a special election in November 2025 versus waiting for the June 2026 general election.

Updated estimates provided by the County indicate holding a special election in November 2025 is expected to cost \$92,100-\$107,500. This cost will be the sole responsibility of the City as no other items will be on the ballot. Placing the measure on the June 2026 general election ballot is estimated to cost \$43,800-\$58,300 as expenses will be shared among multiple jurisdictions.

Waiting until the June 2026 general election would provide more time for messaging, public outreach, education and a potential higher voter turnout. However, delaying until June 2026 could result in estimated lost general fund revenue of \$120,000-\$200,000.

Should Council approve to proceed, staff will submit the required documents right away to the County Election's Office. Alternatively, should Council decide to defer, staff will bring back an updated resolution for submittal to the Election's Office in early 2026.

FISCAL IMPACT:

Costs to the City for an election would include City Attorney time for document preparation, staff time, and costs from the County Elections Office. Estimated total cost for a special election: \$92,100-\$107,500, with anticipated general fund revenue increase between \$120,000-\$200,000. Estimated cost for placing the measure on the June 2026 general election ballot: \$43,800-\$58,300.

ATTACHMENTS:

None