

**CITY ATTORNEYS' IMPARTIAL ANALYSIS OF MEASURE U
CITY OF FORT BRAGG**

Measure U, has been placed on the ballot seeking voter approval of an ordinance imposing a 2% increase in the rate of Fort Bragg's transient occupancy tax.

The transient occupancy tax is commonly referred to as the "hotel tax." It is collected by operators of hotels from guests ("transients") who stay at a hotel for thirty consecutive days or less. Hotel operators remit to the City the taxes they collect.

The current rate of the tax is 12% of the room rent charged by the hotel operator. Measure U would add an additional 2% to the tax rate, resulting in a 14% tax rate.

For purposes of the tax, "hotel" means "any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes." "Hotel" specifically includes "any hotel, inn, tourist home or house, bed and breakfast facility, motel, studio hotel, bachelor hotel, lodging house, room house, apartment house, dormitory, public or private vacation resort club, or motor home or travel trailer at a fixed location, or other similar structure or portion thereof." Measure U does not change this existing definition.

The tax would remain in effect until repealed by the voters. The additional 2% is anticipated to generate approximately \$400,000 annually, which would be deposited in the City's general fund. The City Council has noted that the general fund is used to fund general City services, which include services that reduce tourist impacts; keep public spaces, parks, beaches, and bathrooms safe, clean, and free of litter; support local businesses. Tax proceeds will be audited as part of City's annual independent audit of the general fund and be accounted for in the City's Consolidated Annual Financial Report.

This measure was placed on the ballot by the City Council of the City of Fort Bragg.

A YES vote approves the measure and approves the proposed increase to the transient occupancy (hotel) tax.

A NO vote rejects the measure and rejects the proposed increase to the transient occupancy (hotel) tax.

The above statement is an impartial analysis of Measure U. If you desire a copy of the measure, please call the elections official's office at (707) 961-2823 and a copy will be mailed at no cost to you.

Baron Bettenhausen, City Attorney