

Full Text of Measure Q (2002 November)

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City of Santa Cruz Tax on Hotel Occupants

AN ORDINANCE OF THE CITY OF SANTA CRUZ AMENDING SECTION 3.28.030 OF THE SANTA CRUZ MUNICIPAL CODE PERTAINING TO THE CITY OF SANTA CRUZ TRANSIENT OCCUPANCY TAX

BE IT ORDAINED By The City Of Santa Cruz As Follows:

Section 1. Section 3.28.030 of the Santa Cruz Municipal Code is hereby amended to read as follows:

Section 3.28.030 Tax Imposed.

1. For the privilege of occupancy in any hotel, each transient is subject to and shall pay a general tax in an amount of ten percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City, which is extinguished only by payment by the operator to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax is not paid to the operator of the hotel, the Director of Finance may require that such tax shall be paid directly to the Director of Finance. The general tax revenues shall be placed in the City's general fund.
2. For the privilege of occupancy in any hotel, each transient is subject to and shall pay a special tax of one percent of the rent charged by the operator on the same terms and conditions set forth in subsection (a). The special tax revenues shall be placed in a segregated "Conference and Visitors Promotion Fund" account.
3. All tax revenue deposited in the Conference and Visitors Promotion Fund shall be used exclusively for the promotion of tourism in the County of Santa Cruz and for no other purpose. In order to achieve this objective, the City shall annually contract with the Santa Cruz County Conference and Visitors Council, a non-profit corporation doing business in the City and County of Santa Cruz established for the purpose of promoting tourism within the City and County. The City shall require the Santa Cruz County Conference and Visitors Council to submit an annual accounting for the use of funds provided pursuant to this section. The annual accounting, at a minimum, shall set forth with particularity and in accordance with generally accepted accounting principles the amount and nature of all expenditures made with Conference and Visitor Promotion Fund moneys. The Santa Cruz County Conference and Visitors Council shall make all of its books, records, and accounts which in any manner relate to the expenditure of Conference and Visitors Promotion Fund moneys available to the City's Finance Director for examination or audit upon reasonable notice. In addition, the City shall require annual reports from the Santa Cruz County Conference and Visitors Council designed to demonstrate the achievement of goals relative to the promotion of tourism in the City and County. The City's obligation to annually contract with the Santa Cruz County Conference and Visitors Council shall be contingent upon that agency's satisfactory performance, which shall be demonstrated by annual financial audits and periodic, independent assessments of the Santa Cruz County Conference and Visitors Council's performance in achieving approved goals and objectives. Such independent assessments shall be conducted at least every three years, shall be paid for by the Santa Cruz County Conference and Visitors Council, and shall be conducted by qualified professionals approved by the City. Said obligation shall additionally be contingent upon compliance with all applicable laws pertaining to the operation and governance of non-profit corporations.

Section 2. This ordinance shall be considered as adopted upon the date that the vote is declared by the City Council, and

shall go into effect 10 days after that date.