



City of Grover Beach

FREQUENTLY ASKED QUESTIONS ABOUT MEASURE L-18 ("TRANSIENT OCCUPANCY TAX")

Q: *What is Measure L-18?*

A: Measure L-18 is a measure placed by the Grover Beach City Council on the November 2018 ballot which would increase the City's transient occupancy tax known as TOT or "hotel tax" paid by tourists and visitors. If approved by a majority of voters, the TOT rate for hotels and other visitor-serving accommodations would increase from 10% to 12% which would be the first time the TOT rate has been increased since it was established.

Q: *What type of visitor accommodations would be covered under Measure L-18?*

A: Measure L-18 would cover all hotels, motels, and other visitor-serving accommodations within Grover Beach such as the Holiday Inn Express and other lodging establishments. Future hotels including the Grover Beach Lodge would also be included in this higher TOT rate. Short-term or vacation rental accommodations in private residences would also be included with this higher TOT rate pending the Council's consideration of a vacation rental ordinance in 2019.

Q: *How would the increased TOT rate compare with other cities?*

A: Measure L-18 would increase the City's TOT rate from 10% to 12% for a total tax rate of 13% after including the countywide 1% Tourism Marketing District assessment. Given that the City does not have a separate Tourism Business Improvement District tax unlike other cities, this total tax rate of 13% would be comparable with most cities in the county including Arroyo Grande and San Luis Obispo. This 13% total tax rate is also lower than the statewide TOT rate average of 15%.

Q: *Who would pay this increased tax rate?*

A: Measure L-18 affects tourists, visitors, and other individuals staying at local hotels and other visitor-serving accommodations. Tourists and visitors are important to our economy and Measure L-18 would increase the amount of tax revenues paid by them to support City services.

Q: *How much funding would Measure L-18 generate and what would it be spent on?*

A: Measure L-18 would generate an estimated \$70,000 annually in addition to the approximately \$380,000 generated annually by the current TOT rate. This estimate does not include additional hotel rooms in the future or vacation rental accommodations if allowed in the future. Funding from Measure L-18 would provide ongoing funding for core services such as maintaining fire, emergency medical, and police services, fixing streets and sidewalks, and maintaining parks and city facilities. The City Council would establish priorities for Measure L-18 expenditures as part of the City's budget process.

Q: *Where can I get more information?*

A: For more information on Measure L-18 and other election information, please visit the City's website at www.groverbeach.org.