

TOWN COUNCIL STAFF REPORT

Title: Introduction of draft Official Ballot Language – 2% Transient Occupancy Tax Increase

Meeting Date: June 19, 2024

Prepared by: Rob Patterson, Town Manager

RECOMMENDATION:

Town Council will receive a presentation of the draft official ballot language for the 2% Transient Occupancy Tax increase and provide direction for staff in developing the final language for adoption in July.

BACKGROUND:

The Town has engaged TeamCivX as a consultant to develop key elements of the official ballot question and supporting documents for a November 2024 ballot measure to increase Transient Occupancy Tax 2%. The concept of a tax increase was one of the outcomes of the recent STR Advisory Committee work to address administration of Short-Term Rentals (STR) in the Town as well develop dedicated funding sources for housing and other general services.

ANALYSIS:

The work performed by TeamCivX is to develop a communication plan and outline designed to develop the ballot language in conjunction with direct input from the Town Council and community. This input will form the official ballot question (75 words) displayed on the voter ballot, Fact Sheet dictating messaging on all materials, informational mailers, resolution and ordinance adding the measure to the ballot, and ballot argument and rebuttal, if necessary.

The first step is development of the official ballot language. Town staff has been meeting with TeamCivX to discuss background material and intended uses of the tax to form the question. Due to this being a general tax initiative, the language will be broad to cover a number of core services provided by the Town and generally support a dedicated funding source for workforce housing to provide those services. The draft language that has been developed for consideration is listed below:

To support general town services — without increasing taxes on MammothLakes residents — such as providing affordable workforce housing to sustain the local economy, supporting public safety, enhancing wildfire protection and fixing potholes/improving roads and sidewalks, shall the TownofMammothLakes' measure increasing the transient occupancy tax by 2% be adopted, generating approximately

\$30,000,000 annually until ended by voters, paid only by hotel and short- term rental guests, with annual audits and all funds staying local?

The financial numbers listed in the language are required to address the impact of the overall transient occupancy tax collection and not just the incremental portion this measure is intended to produce. The actual revenue generated by the 2% increase will be between \$3.7M and \$4.2M annually. The language, broad in nature, supports the general tax designation while highlighting the need for workforce housing to support delivery of services.

The development of the official ballot question is a crucial first step that will determine the overall content and focus of supporting documents. Staff have included a communication plan and timeline to understand next steps in this process.