## CITY ATTORNEY'S IMPARTIAL ANALYSIS MEASURE

Measure was placed on the ballot by the City Council of the City of Chino Hills. Measure would adopt an ordinance amending the City's transient occupancy tax ("TOT") otherwise known as the "Hotel Tax" (this Analysis refers to it as the "Measure"). If approved, the Measure would increase the TOT from 10% to 12% and amend the definition of "hotel" for purposes of the TOT to clarify that the tax also applies to the use of any residential dwelling, or portion thereof, for transient lodging purposes. (At present, the short-term rental of residential dwellings is prohibited in the City.)
The TOT requires each person, or "transient," to pay a tax to the City when occupying space in any "hotel," all as defined in the Chino Hills Municipal Code. Hotel operators collect the TOT from transients on the City's behalf. TOT revenue collected by the operator is then remitted to the City. Hotel operators do not pay TOT; this tax is only paid by persons staying at a hotel.
Currently, the City charges a 10% TOT; Measure would increase this percentage to 12%. As a result, public documents estimate that the City would receive an additional \$260,000 per year. The City can legally use such revenue for its general governmental purposes. To be adopted, the Measure must be approved by a simple majority of the voters in the city of Chino Hills.
A "yes" vote on Measure favors the Measure.
A "no" vote on Measure opposes the Measure.

[TOTAL WORD COUNT: 247]

Mark D. Hensley, City Attorney