



CAROL A. SCHWAB
City Attorney

OFFICE OF THE CITY ATTORNEY
CITY OF CULVER CITY

9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507

(310) 253-5660
FAX (310) 253-5664

TO: Martin Cole, City Elections Official for the City of Culver City

Pursuant to California Elections Code and as directed by the City Council of the City of Culver City, I am providing you with an Impartial Analysis of the Proposed Measure regarding a proposed increase to the City of Culver City's Transient Occupancy Tax from 12% to 14%, which measure the City Council placed on the ballot of the April 10, 2012, General Municipal Election.

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF
MEASURE X

Measure X, which was placed on the ballot by the City Council, would increase the City of Culver City's current Transient Occupancy Tax from 12% to 14%. The Transient Occupancy Tax (TOT) is a tax charged to a guest who stays in a hotel or motel within the City. If passed, Measure X would amend Section 11.02.105 of the Culver City Municipal Code, which establishes the TOT rate.

The City's existing TOT rate of 12% has been in effect since 1989. Specifically, the TOT is a percentage of the room rate charged by hotel and motel operators and is paid only by persons staying at those hotels and motels within the City, for a period of thirty days or less. The TOT is collected by the hotel and motel operators and then remitted to the City.

Measure X proposes to increase only the rate of the existing TOT. It does not change the method of collection of the TOT, and all other related regulations shall remain the same, if Measure X is approved by the voters.

The TOT provides revenue for the City's General Fund, which is primarily used for basic City services, such as police and fire protection, streets, parks, recreation and other general services. The current TOT generates approximately \$3.05 million, or about 3.8% of the City's General Fund operating budget. The proposed increase would be expected to generate an additional \$510,000 per year in General Fund revenue to fund City services.

State law requires that this measure be approved by a majority of the voters.

A "YES" vote for Measure X will increase the existing TOT from 12% to 14%.

A "NO" vote against Measure X will leave in place the existing TOT at 12%.

Dated: November 2, 2011

Carol A. Schwab
City Attorney
City of Culver City