

CITY OF MERCED
RESOLUTION NO. 2024-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED APPROVING AND ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF MERCED A BALLOT MEASURE TO AMEND MERCED MUNICIPAL CODE SECTION 3.08.030 TO INCREASE THE TRANSIENT OCCUPANCY TAX (TOT) RATE BY TWO PERCENT AT THE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, DIRECTING THAT THE CITY ATTORNEY PREPARE AN IMPARTIAL ANALYSIS AND PROVIDING FOR ARGUMENTS AND REBUTTALS RELATED TO THE MEASURE AND AUTHORIZING MERCED COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION AND CANVASS THE RETURNS AND EXPRESSING INTENT TO REIMBURSE MERCED COUNTY FOR THE ACTUAL COSTS OF THE ELECTION

WHEREAS, the City of Merced (“City”) will hold its General Municipal Election on November 5, 2024; and

WHEREAS, the City prioritizes the health, safety, and welfare of all City residents, businesses, and visitors; and

WHEREAS, the City has identified needs for additional general fund revenues to maintain and improve the quality of services the City provides; and

WHEREAS, the Transient Occupancy Tax (“TOT”) is an existing general tax that is deposited into the City’s general fund; and

WHEREAS, the general fund supports important City services such as public safety services; emergency street repairs and maintenance; neighborhood park and recreation services; and other general municipal services for the public; and

WHEREAS, a TOT is paid only by transients, defined as guests or occupants of hotels, motels, inns, or other short-term lodging facilities for stays of 30 days or less; and

WHEREAS, the current tax is applied to a transient customer's lodging bill to ensure that tourists contribute to the overall infrastructure, public safety services, and other general fund resources available during their short stays in Merced; and

WHEREAS, the City has generated \$2 million in general fund revenue per year through its TOT at the rate of ten percent (10%), which has not been changed in approximately 25 years; and

WHEREAS, the City proposes to increase the TOT rate by two percent (2%), from 10% to 12% until ended by voters; and

WHEREAS, the proposed increase to twelve percent (12%) from the City's current TOT ten percent (10%) rate aligns with the tax rates of neighboring communities; and

WHEREAS, the proposed, locally enacted, TOT measure is projected to generate additional general fund revenue of approximately \$400,000 annually if a two percent rate increase is approved by the voters; and

WHEREAS, local, voter-approved funding will provide a local source of additional funding for the City of Merced that cannot be diverted by the State or other government entities; and

WHEREAS, the proposed measure will be subject to fiscal accountability protections such as public disclosure of all expenditures and the annual audit process to ensure that funds are used effectively, as prescribed, and only to benefit the Merced community; and

WHEREAS, pursuant to California Revenue and Taxation Code Section 7280, the City has the authority to levy a TOT for general purposes subject to voter approval; and

WHEREAS, pursuant to Elections Code Section 9215 a Notice of Election must be filed with the Merced County Registrar of Voters; and

WHEREAS, Merced County intends to conduct a consolidated election on November 5, 2024; and

WHEREAS, the Merced County Registrar of Voters must be authorized to conduct the election and to canvass all returns; and

WHEREAS, Merced County should be reimbursed for the actual costs of the election.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MERCED HEREBY RESOLVES:

Section 1. That the City Council pursuant to its right and authority, does order to be submitted to the voters at the General Election to be held on November 5, 2024, the following question:

<p>Measure __:</p> <p>Merced Tourism Expansion Measure. As a method to enhance tourism and visitor spending, thereby increasing hospitality and sales tax revenue, shall an ordinance be adopted to increase the existing transient occupancy tax, from 10% to 12% until ended by voters, providing approximately \$400,000 annually to the City of Merced?</p>	YES
	NO

Section 2. That the proposed ordinance to be submitted to the voters is hereby approved in the form attached in Exhibit A to this Resolution, which is incorporated herein by this reference.

Section 3. That pursuant to Elections Code section 10403, the City Council requests the Merced County Board of Supervisors to consolidate the City of Merced's General Municipal Election with the statewide Presidential Election on November 5, 2024, such that Election precincts, polling places and officers of election within the City of Merced for said General Municipal Election hereby called shall be the same as those selected and designated by the Board of Supervisors of the County of Merced for said consolidated election and set forth in the notice of election officers and polling places for said consolidated election published or to be published by the County Clerk of County of Merced, as required by law, to which notice reference is hereby specifically made for a designation of the precincts, polling places, and election officers of the municipal election hereby called.

Section 4. That the City requests that the Merced County Registrar of Voters conduct the election and canvass the returns, and that the City agrees to pay the proportionate share of reasonable expenses of said election, said share to consist of all direct costs as determined by the Merced County Clerk to be directly related to the conduct of the City of Merced General Municipal Election together with the City's proportionate share of the expenses for election services rendered by Merced County that are being shared equally with other jurisdictions, if any, by virtue of the consolidation of the City's General Municipal Election with the elections being held by other jurisdictions, if any, on November 5, 2024. The election services to be performed shall include the preparation, printing and mailing of official ballots and publishing full text of measure in County voter information guides; the establishment of precincts, election ballots, return mail envelopes, ballot drop boxes, vote centers, election officers, and producing such publications as are required by law in connection therewith; the furnishing of ballots, envelopes, and other necessary supplies and materials for voting places; the canvassing of the returns of the election; the furnishing of the results of such canvassing to the City Clerk; and the performance of other election services as may be requested by the City Clerk.

Section 5. Under Article XIII C of the California Constitution, the vote requirement for this measure to pass shall be a majority of those casting ballots on the measure (50% plus 1).

Section 6. In all particulars not recited in this Resolution, the election shall be held and conducted pursuant to applicable law.

Section 7. That the City hereby provides notice of the time and place of holding the election, and the City Clerk is authorized and directed to provide any further or additional notice of the election, in the time, form and manner as required by law.

Section 8. Pursuant to California Elections Code Section 9280, the City Council hereby directs the City Clerk to transmit a copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk by 5:00 p.m. on August 2, 2024.

Section 9. Arguments for or against this measure shall be submitted not later than 5 p.m. on August 12, 2024, to the City Clerk.

Section 10. That the City Council adopts the provisions of subdivision (a) of Section 9285 of the Elections Code to permit rebuttal arguments if arguments have been filed in favor of and against the measure which is being submitted to the voters of the City at this special election. Rebuttal arguments shall be filed not later than 5:00 p.m. on August 19, 2024.

Section 11. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Merced County Board of Supervisors and the Merced County Registrar of Voters.

Section 12. That this action is exempt from review under CEQA because it can be seen with certainty that the purely administrative/fiscal change proposed in this resolution will not result in a physical impact on the environment, and this resolution is not a "project" under CEQA.

Section 13. That this Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2024 by the following called vote (2/3 required):

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

BY: Graig Cornwell 7/11/2024
City Attorney Date