

Impartial Analysis of Measure N – City of Millbrae: Transient Occupancy Tax Measure

The California Constitution, the Government Code and the Revenue and Taxation Code authorize the City of Millbrae to levy or increase a general tax in the form of a transient occupancy tax, better known as the "Hotel Tax," upon a majority vote approval of the Millbrae electorate. The City Council of the City of Millbrae has enacted Ordinance No. 797 to increase the existing Hotel Tax from 12% to 14% and has placed this Measure on the ballot seeking the required voter approval to make the tax increase effective as of January 1, 2023.

The Hotel Tax is placed on the room rent charged to guests who stay in hotels, motels, inns, short-term rentals, or similar lodgings in the City of Millbrae. The tax is collected by the operators of these lodging facilities as part of the room bills and remitted to the City. The City's Hotel Tax was last increased by the voters in 2010. Other cities in San Mateo County have Hotel Tax rates between 12%-15%.

The City estimates that the revenues from this 2% increase in the Hotel Tax will generate a minimum of \$1,500,000 per year. These revenues are placed in the City's General Fund to support general governmental purposes, such as police, fire, public works, parks, recreation programs, disaster response services, the library facility and services, code enforcement, and the maintenance and improvement of City streets, infrastructure and facilities.

A "Yes" vote on this Measure would approve the 2% increase in the Hotel Tax authorized by Millbrae City Council's Ordinance No. 797 to go into effect on January 1, 2023.

A "No" vote on this Measure would not allow the implementation of the 2% increase in the Hotel Tax and the Hotel Tax in Millbrae would remain at 12%.

/s/ **Joan Cassman**
Millbrae City Attorney