

CITY OF SOUTH SAN FRANCISCO MEASURE FF
CITY ATTORNEY'S IMPARTIAL ANALYSIS

Measure FF is a ballot measure that, if approved by the voters, would authorize up to a four percent (4%) increase to the Transient Occupancy Tax (TOT) in the City of South San Francisco ("City"). The City's current TOT rate is 10%. The City's TOT is levied on the rental cost of a hotel room within the City and is charged to visitors when renting a hotel room for less than thirty consecutive calendar days. A hotel is defined to include a hotel, inn, tourist home or house, motel or other lodging located within the City.

A vote in favor of this ballot measure would authorize an initial increase to the City's TOT rate by 2% in 2019. The ballot measure would also authorize an additional 1% each year, up to a maximum TOT rate of 14%. If passed by the voters, Measure FF would first increase the City's TOT rate to 12%, effective January 1, 2019. Subsequently, the ballot measure would then increase the City's TOT rate to 13%, effective January 1, 2020. Finally, Measure FF would increase the City's TOT rate to a maximum of 14%, effective January 1, 2021. The ballot measure if passed would generate approximately \$5.9 million of additional revenue annually for the General Fund.

Because Measure FF does not limit the use of tax revenue generated by this tax to specified uses, it is a general tax. Therefore, the City may use the funds for any legitimate governmental purpose. If approved by the voters, the tax will be deposited into the City of South San Francisco's general fund and may be used to pay for and maintain parks and recreation facilities, transportation and infrastructure improvements, and to offset the additional use of police and fire services incurred by visitors to the City.

The current TOT consists of three components — a 9% general excise tax that generates General Fund revenues; a 1% special tax used for the purpose of funding parks, recreation, library and public safety services (SSFMC § 4.20.033); and a \$2.50 tax devoted to the acquisition, renovation, maintenance and operation of the South San Francisco Conference Center. The City Council last increased the total TOT rate from 9% to 10% in 2009, with the incremental 1% increase being a general tax. The 1% special tax was imposed in 2005, and the \$2.50 conference center tax was imposed in 1989.

A "Yes" vote is a vote to approve an increase to the TOT rate. The initial 2% increase would revise the City's TOT rate from 10% to 12% effective January 1, 2019. A subsequent 2% increase over the next two years would revise the TOT rate to 13% effective January 1, 2020 and 14% effective January 1, 2021. A "No" vote is a vote against increasing the TOT rate and would maintain the current TOT rate of 10%. Measure FF would be approved if it received a majority of "Yes" votes.



Jason Rosenberg, City Attorney