Measure “__” asks Belmont voters to approve an ordinance raising the city’s transient occupancy tax (TOT) rate from 10% of the rent charged by an operator of short-term lodging to 12% of the rent paid by the guests. The city council placed the measure on the ballot by unanimously adopting Resolution 2018-061. The measure requires a simple majority vote to pass.

The city’s TOT, or Hotel Room Tax, is paid by guests who stay for a period of 30 consecutive days or less at a hotel, motel, bed and breakfast, or other short-term rental lodging in the city. The city’s Hotel Room Tax was last changed in 1978 and is currently not assessed on the markup charged by on-line platforms such as Hotels.com and Airbnb because the tax is based on the amount charged by the hotel operator which does not include the markup. The proposed measure will change the TOT to apply to the amount paid by the guest which will include any markup charged by an on-line platform. The proposed measure would also raise the TOT rate to 12%, which is the rate currently charged by most other cities with a TOT in San Mateo County.

The proposed measure is expected to annually generate an additional $560,000 in unrestricted general city revenue. This revenue would be collected by the city and may not be taken by the state. The additional revenue would be deposited to the general fund and available for general governmental operations and services, such as fixing potholes in city streets, repairing sidewalks, maintaining city police patrols and crime prevention, emergency response, and maintaining parks, open space and sports fields. The measure therefore proposes a general tax and requires a simple majority vote for adoption.

A “yes” vote on the measure would approve the ordinance increasing the TOT rate to 12% of the rent paid by short-term rental guests.

A “no” vote on the measure would reject the ordinance and keep the TOT rate at 10% of the amount charged by operators.

Scott Rennie
City Attorney