Measure PP was placed on the ballot by the Colma City Council and, if approved by a majority of Colma voters, will amend the Municipal Code to establish a transient occupancy tax (“TOT”), also generally known as a “hotel” tax, at the maximum rate of twelve percent (12%) of rent paid by guests in order to occupy a room or space in a hotel or similar lodging (referred to herein as a “hotel”). This TOT would be imposed upon occupancy of a room or hotel space within the City, for dwelling, lodging, or sleeping purposes, for a period of thirty (30) consecutive days or less. Measure PP would also clarify that the tax applies to the full rent paid by the hotel guest for occupancy, whether payment is made directly to a hotel operator or to a third-party “rental agent” for booking purposes (i.e., online travel companies and online short term rental companies).

The tax rate set by Measure PP can be increased or decreased by the City Council, provided it does not exceed the voter-approved maximum rate. It is anticipated that this rate increase will generate a potential additional $319,000 in new revenues dependent on when a hotel is established in the Town.

Measure PP would be a “general tax”. All revenue from this tax would be deposited into the City’s General Fund and could be used for general City operations and services, including police enforcement, emergency response, parks, youth and senior services, and street repair. Pursuant to State Law, a “general tax” requires approval by a majority of the City’s voters voting at an election.

A “yes” vote on Measure PP will approve the TOT Tax.

A “no” vote on Measure PP will not approve the TOT Tax.

The above statement is an impartial analysis of Measure PP. If you desire a copy of the ordinance or measure, please call the City Clerk’s office at (650) 997-8300 and a copy will be mailed at no cost to you.

/s/ Christopher J. Diaz, City Attorney