

## City Attorney's Impartial Analysis

The City of San Mateo currently imposes a 12% tax on transient occupancy (commonly referred to as a "hotel tax"). This tax consists of a 10% general tax and a 2% special tax. The revenue raised by a "general" tax goes into the City's general fund and may be used for any municipal governmental purpose. Municipal governmental purposes include police and fire protection, library facilities, public works, street maintenance and repair, programs for seniors, parks and recreation services, and other governmental functions and services. "Special" taxes are imposed for a specific purpose and may only be used for that purpose. The special tax component of the city's transient occupancy tax raises revenue to finance capital improvements within the City.

If approved by a majority of the voters, Measure W will authorize an additional two percent (2%) tax on transient occupancy to be levied within the City of San Mateo. This additional hotel tax would be a "general tax" meaning that the revenue raised from the tax would go into the City's general fund. The revenue raised by this measure may be used for any municipal governmental purpose.

The additional 2% general tax authorized by this measure would be levied and collected at the same time and in the same manner as the existing hotel tax and would bring the total hotel tax to 14% that consists of a 12% general tax and a 2% special tax.

State law authorizes the City of San Mateo to levy this additional 2% hotel tax following approval by the City Council and a majority of the voters voting in an election on the measure. On July 20, 2020, the San Mateo City Council approved placing this measure on the ballot to obtain voter approval of the tax increase.

If approved by the voters at the November 3, 2020 election, the additional 2% hotel tax would become operative on January 1, 2021.

A YES vote approves the measure.

A NO vote rejects the measure.

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City Attorney