CITY OF NEEDLES
CITY ATTORNEY'S IMPARTIAL ANALYSIS
MEASURE ___
TRANSIENT OCCUPANCY TAX MEASURE

Existing Law:

The City Council of the City of Needles has placed Measure __ on the ballot for the November 3, 2026 General Municipal Election. Measure __ would amend sections 20-8, 20-9, and 20-10 of the Needles City Code to increase the City's transient occupancy tax ("TOT") from its current rate of ten percent (10%) to fourteen percent (14%) through a phased implementation.

Effect of Measure on Existing Law:

The City's transient occupancy tax is imposed on the rent charged for occupancy of hotels, motels, recreational vehicle parks, short-term residential rental units, and other lodging establishments within the City for stays of 30 days or less. Although hotel and lodging operators collect and remit the tax to the City, the tax is paid by the transient occupant rather than the property owner or operator.

Currently, the City's transient occupancy tax rate is ten percent (10%). If approved by the voters, Measure __ would increase the tax rate in the following phases:

-- Effective January 1, 2027, the tax rate would increase to twelve percent (12%);
-- Effective January 1, 2029, the tax rate would increase to thirteen percent (13%); and
-- Effective January 1, 2030, the tax rate would increase to fourteen percent (14%).

The measure would also amend related provisions of the Needles City Code governing the monthly reporting and remittance of the tax by lodging operators and the calculation of penalties for delinquent reports and payments to reflect the applicable tax rate in effect at the time the tax is due.

Measure __ would impose a general tax. Revenues generated by the measure would be deposited into the City's General Fund and may be used for any lawful municipal purpose as determined by the City Council through the annual budget process. The measure itself does not dedicate the additional revenues to any particular program, project, or service.

If approved, the increased tax rates would apply beginning on the effective dates specified above and would remain in effect unless subsequently amended or repealed in accordance with applicable law.

Based on current lodging activity, if approved, the City has determined that Measure ___ would generate approximately $200,000 annually beginning in 2027, $300,000 annually beginning in 2029, and approximately $400,000 annually upon full implementation beginning in 2030.

Because Measure __ would enact a general tax, it requires approval by a majority of the voters voting on the measure to become effective.

A "Yes" vote is a vote in favor of increasing the City's transient occupancy tax from ten percent (10%) to fourteen percent (14%) through phased increases beginning January 1, 2027.
A "No" vote is a vote against the measure, and the transient occupancy tax would remain at ten percent (10%).

The above statement is an impartial analysis of Measure __. If you desire a copy of the measure, please call the Office of the City Clerk at (760) 326-2113, and a copy will be mailed at no cost to you.

______________________________________ Dated: ___________________________

Lena Wade, Deputy City Attorney