

**CITY OF BIG BEAR LAKE
CITY ATTORNEY'S IMPARTIAL ANALYSIS
OF MEASURE [REDACTED]**

TRANSIENT OCCUPANCY TAX MEASURE

The City of Big Bear Lake ("City") currently imposes a transient occupancy tax ("TOT"), also generally known as a "hotel" tax, at the rate of eight percent (8%) of rent paid in order to occupy a room or space in a hotel, vacation rental or similar lodging (referred to herein as a "hotel"). This TOT is imposed upon occupancy of a room or hotel space within the City, for dwelling, lodging, or sleeping purposes, for a period of twenty-eight (28) consecutive days or less. The TOT currently provides approximately \$6,500,000 annually to the General Fund to pay for general City services and programs.

Measure [REDACTED] was placed on the ballot by the Big Bear Lake City Council and, if approved by a majority of Big Bear Lake voters, will amend the Municipal Code to increase the maximum TOT rate from eight percent (8%) to nine percent (9%) effective on January 1, 2024, and from nine percent (9%) to ten percent (10%) effective on January 1, 2025. Measure [REDACTED] would allow the City Council to adjust the tax rate without voter approval, provided it does not exceed the voter-approved maximum rate. It is anticipated that this rate increase will generate an additional \$1,300,000.00 in new revenues annually. Measure [REDACTED] would also update the Code to 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).

Measure [REDACTED] 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, such as public safety response, street repair and maintenance, park and trail construction and maintenance. 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 [REDACTED] will approve the TOT tax rate increase.

A "no" vote on Measure [REDACTED] will not approve the TOT tax rate increase.

The above statement is an impartial analysis of Measure [REDACTED]. If you desire a copy of the ordinance or measure, please call the election official's office at (909) 866-5831 and a copy will be mailed at no cost to you.

/s/ Stephen P. Deitsch, City Attorney

July 25, 2022