

Impartial Analysis for Measure ____

The Grand Terrace City Council voted to place Measure ____, a transient occupancy tax, on the November 8, 2022, ballot (“Measure”).

If approved by voters, the Measure adds Chapter 3.30 to Title 3 of the Grand Terrace Municipal Code to establish a transient occupancy tax with a maximum rate of 10% of the rent charged by an operator of an accommodation (such as a hotel), which would be collected from guests staying at an accommodation for 30 consecutive calendar days or less (counting portions of calendar days as full days). The City Council may set the rate by resolution, provided that it does not exceed the maximum 10% rate. As a general tax, funds collected are placed in the City of Grand Terrace’s (“City”) general fund and may be used for any City general fund purpose. The Measure excludes the following individuals from being taxed:

1. Any person as to whom, or any occupancy as to which, it is beyond the power of the City to impose the transient occupancy tax.
2. Any public officer or employee when on official business.
3. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The Measure is estimated to generate approximately \$10,000 (current estimate) to \$250,000 (if a major hotel is developed in the City) in annual revenue.

The operators of accommodations are required to collect the transient occupancy tax from guests and, further, remit such funds collected to the City. The ordinance also contains enforcement provisions for the collection of the transient occupancy tax. The City Council may amend the ordinance to further its purpose and intent, but only the voters may approve an increase of the tax above the maximum 10%. If passed, it will stay in effect until ended by voters.

A “YES” vote is a vote to approve a transient occupancy tax with a maximum rate of 10%. A “NO” vote is a vote against a transient occupancy tax with a maximum rate of 10%. The transient occupancy tax proposed by Measure ____ would take effect only if it receives a majority “YES” vote by the City’s voters at the November 8, 2022, election.

The above statement is an impartial analysis of Measure _____. If you desire a copy of Measure ____, please call the Grand Terrace City Clerk’s Office at (909) 824-6621 and a copy will be mailed at no cost to you.

/s/

Adrian R. Guerra
City Attorney