

CITY OF OJAI

ORDINANCE NO. 907

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF OJAI AMENDING OJAI MUNICIPAL CODE
SECTIONS 8-1.407 (RENT DEFINED), AND 8-1.410 (TAX
IMPOSED) OF ARTICLE 4 (UNIFORM TRANSIENT
OCCUPANCY TAX) OF CHAPTER 1 (TAXATION) OF
TITLE 8 (FINANCE, REVENUE, AND TAXATION) TO
CLARIFY EXISTING DEFINITIONS AND TO ADOPT AN
ADDITIONAL
SPECIAL TRANSIENT OCCUPANCY TAX**

WHEREAS, on November 12, 2019, the City Council resolved to submit this Ordinance to the voters as a measure at the special municipal election held on March 3, 2020; and

WHEREAS, this Ordinance clarifies the term “rent” and its definition, consistent with the City’s existing interpretation and method of assessment, and thereby confirms the existing applicable definition of “rent” in a manner that is declaratory of existing law and the City’s existing tax policy; and

WHEREAS, this Ordinance imposes an additional special transient occupancy tax of five percent (5%) in addition to an existing general transient occupancy tax of ten percent (10%), thereby increasing the total transient occupancy tax to fifteen percent (15%), to be collected as set forth in Article 4 (Uniform Transient Occupancy Tax) of Chapter 1 (Taxation) of Title 8 (Finance, Revenue, and Taxation) of the Ojai Municipal Code; and

WHEREAS, this Ordinance is estimated to raise an additional \$1,300,000–\$1,700,000 in revenue annually; and

WHEREAS, under California Constitution, article XIII C, section 2, subdivision (b), and Government Code section 50077, no local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by two-thirds vote of the qualified electors voting in the election; and

WHEREAS, the qualified voters of the City of Ojai have the authority under Article XIII C, section 2 of the California Constitution to approve special tax proposals such as a tax on transient occupancy within the City; and

NOW, THEREFORE, THE PEOPLE OF THE CITY OF OJAI DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. All of the foregoing recitals are true and correct.

SECTION 2. Text Amendment. Section 8-1.407 (Rent Defined) of Article 4 (Uniform Transient Occupancy Tax) of Chapter 1 (Taxation) of Title 8 (Finance, Revenue, and Taxation) of the Ojai Municipal Code is hereby amended to read as follows, with additions noted by underlined text and deletions noted by ~~struck-through~~ text:

“Rent” shall mean the consideration charged, whether or not received, for the occupancy of space in a hotel, inclusive of resort fees, cancellation fees, parking fees, and other fees tied to the occupancy of a space in a hotel, valued in money, whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits, property, and services of any kind or nature, without any deduction therefrom whatsoever.

SECTION 3. Text Amendment. Section 8-1.410 (Tax Imposed) of Article 4 (Uniform Transient Occupancy Tax) of Chapter 1 (Taxation) of Title 8 (Finance, Revenue, and Taxation) of the Ojai Municipal Code is hereby amended to read as follows, with additions noted by underlined text and deletions noted by ~~struck-through~~ text:

For the privilege of occupancy in any hotel in the City, each transient shall be subject to and shall pay a tax which is a percentage of the Rent ~~rate charged by the operator~~. Such tax shall constitute a debt owed by the transient to the City, which tax shall be extinguished only by payment to the operator. The rate of such tax shall be ~~established by resolution of the Council~~ fifteen percent (15%) of the Rent in total, divided into a general tax rate of ten percent (10%) and a special tax rate of five percent (5%) for City capital improvement and maintenance projects, including street paving; and fire mitigation, code enforcement, and climate change mitigation, or such lower rates as may be established by the City Council by resolution.

SECTION 4. Use of Proceeds. The proceeds of the 5% special tax provided in Section 3 must be used for: City capital improvement and maintenance projects, including street paving; and fire mitigation, code enforcement, and climate change mitigation.

SECTION 5. Effective Date. If approved by two-thirds of voters (66.6%), this Ordinance shall be effective ten days after the City Council certifies the results of the March 3, 2020 election.

SECTION 6. Compliance with CEQA. The City Council determines this Resolution is exempt from review under the California Environmental Quality Act (CEQA). Pursuant to section 15061(b)(3) of the CEQA Guidelines, CEQA applies only to projects which have the potential for causing a significant effect on the environment. The calling and noticing of a Special Municipal Election is not a project within the meaning of CEQA Guidelines section 15378, subsection (b)(3).

SECTION 7. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

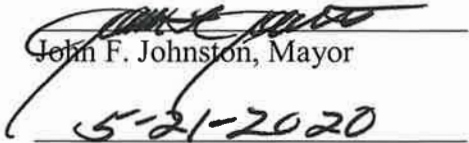
SECTION 8. Election. Voter approval of this ordinance shall have the effect of increasing the City's transient occupancy tax by five percent, so that the maximum rate will be increased from 10% to 15%, divided into a general tax rate of ten percent (10%) and a special tax rate of five percent (5%) for City capital improvement and maintenance projects, including street paving; and fire mitigation, code enforcement, and climate change mitigation. If the measure is defeated, the City's transient occupancy tax will remain unchanged.

SECTION 9. Execution. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance upon certification by the City Council of the results of the election approving this Ordinance.

City of Ojai
City Council Ordinance No. 907

I hereby certify that the foregoing Ordinance was duly adopted by a majority of the qualified electors of the City of Ojai casting votes on the question in the election held on March 3, 2020:

CITY OF OJAI, CALIFORNIA



John F. Johnston, Mayor

5-21-2020


Date signed

ATTEST:



Gail Davis, Deputy City Clerk

APPROVED AS TO FORM:



Matthew T. Summers, City Attorney