

**CITY ATTORNEY’S IMPARTIAL ANALYSIS
CITY OF MONTEREY PARK
MEASURE XX
TRANSIENT OCCUPANCY TAX**

Measure XX would adopt an ordinance amending the City’s transient occupancy tax (“TOT”). If approved, Measure XX would increase the TOT from 12% to 13%.

The TOT requires each person (or “transient”) to pay a tax to the City when occupying space in any hotel, as defined in the Monterey Park Municipal Code. Hotel operators collect the TOT from transients on the City’s behalf. TOT revenue collected by the operator is then remitted to the City. Hotel operators do not pay TOT; this tax is only paid by persons staying at a hotel.

Currently, the City charges a 12% TOT which generates an estimated \$3.5M for fiscal year 2024-25. Public documents estimate that each additional 1% increase in the TOT generates approximately \$500,000. Accordingly, the proposed 1% increase in TOT would result in the City receiving an additional \$500,000 per year. The City may legally use such revenue for any general governmental purpose.

To be adopted, Measure XX must be approved by a simple majority of the voters in the City of Monterey Park.

A “YES” vote approves the TOT increase.

A “NO” vote opposes the TOT increase.

/S/ Karl H. Berger
City Attorney

[TOTAL WORD COUNT: 206]