

**RESOLUTION NO. 2016 - 71**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, COUNTY OF RIVERSIDE, CALIFORNIA SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, A MEASURE RELATING TO AN INCREASE IN TRANSIENT OCCUPANCY TAX**

**WHEREAS**, people live in Palm Desert because it offers a higher quality of life, safer neighborhoods, and better services than other Coachella Valley Cities; and

**WHEREAS**, the City needs to maintain public safety services, senior programs, parks, cultural programs, landscaping, and other vital services and programs that make Palm Desert a desirable place to live, visit, and do business; and

**WHEREAS**, residents want to protect and maintain vital City services, such as 9-1-1 emergency medical, police, fire protection and response services, roads and streets maintenance, and water conservation; and

**WHEREAS**, residents want to maintain long-term financial stability and local control of local funds that can only be used in Palm Desert; and

**WHEREAS**, since 2012, the State has taken approximately \$40 million every year in redevelopment funds from Palm Desert, including funds relied on for critical local improvements and economic development; and

**WHEREAS**, pursuant to Chapter 3.28 of the City of Palm Desert ("City") Municipal Code, the City currently imposes a Transient Occupancy Tax at the rate of nine percent (9%) upon the guests of hotels and other transient accommodations located throughout the City; and

**WHEREAS**, the City's Transient Occupancy Tax, also known as a hotel/motel tax, is the lowest in the Coachella Valley; and

**WHEREAS**, every year, tens of thousands of tourists come to our area, causing strain on local infrastructure, public safety services, and impacting local natural habitats, affecting our quality of life; and

**WHEREAS**, a two percent (2%) local hotel/motel tax increase will provide a guaranteed local source of funding for local police and fire protection, street repair, senior programs, economic development, and other services residents depend on; and

**WHEREAS**, a hotel/motel tax ensures tourists pay their fair share for the services they use when they spend the night at local hotels; and

**WHEREAS**, Palm Desert homeowners and property owners who are not hotel guests would not be taxed under this measure; and

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**WHEREAS**, this measure provides our City with a dedicated local source of funding to maintain city services that by law cannot be taken by State government, and all funds must be used only in Palm Desert; and

**WHEREAS**, the Palm Desert City Council ("City Council") desires to increase the rate for the City's Transient Occupancy Tax by two percent (2%), to a total of eleven percent (11%), to be imposed upon the guests of hotels and other transient accommodations located throughout the City pursuant to the Palm Desert Municipal Code; and

**WHEREAS**, pursuant to California Revenue and Taxation Code sections 7280 and 7281, the City Council is authorized to submit to the qualified electors of the City a ballot measure regarding the imposition of or increase to the City's Transient Occupancy Tax; and

**WHEREAS**, pursuant to Article XIII C, Section 2(b) of the California Constitution and California Government Code section 53723, no local government may impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

**WHEREAS**, the People of the City ("People") have the authority under Article XIII C, Section 2 of the California Constitution to approve general tax proposals such as a Transient Occupancy Tax within the City; and

**WHEREAS**, Pursuant to Article XIII C of the California Constitution and California Government Code section 53721, the City's Transient Occupancy Tax is a general tax such that an election to approve any increase in such tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government except in cases of emergency declared by a unanimous vote of the governing body; and

**WHEREAS**, the City Council intends for the proposed increase in the Transient Occupancy Tax to be deposited in the City's General Fund as a general tax; and

**WHEREAS**, the hotel/motel tax will include strict accountability provisions, such as public spending reports and annual independent financial audits; and

**WHEREAS**, the City Council of the City of Palm Desert desires and intends to have the qualified voters of the City vote upon the question of whether to adopt Ordinance No. 1307, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by reference.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** The City Council finds that all of the foregoing recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

**Section 2.** Pursuant to the requirements of the laws of the State of California, there is hereby called and ordered to be held in the City of Palm Desert, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of submitting to the qualified voters of the City of Palm Desert the question of an increase in the City's Transient Occupancy

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Tax, a general tax, which election shall be consolidated with the Statewide election to be held on the same day.

**Section 3.** The Board of Supervisors of Riverside County is requested to order the consolidation of the General Municipal Election in the City of Palm Desert to be held on November 8, 2016 with the Statewide election to be held on the same date, and the City hereby consents to such consolidation. The consolidated election will be held and conducted in the manner prescribed in Elections Code Section 10418.

**Section 4.** The City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election the following question:

<b>MEASURE ___ : PALM DESERT COMMUNITY SAFETY, VITAL SERVICES AND FISCAL STABILITY MEASURE</b>		
<b>To maintain 9-1-1 emergency medical/police/fire response; Palm Desert's long-term financial stability; neighborhood policing/crime prevention; water conservation; street repairs and other vital services, shall an ordinance increasing Palm Desert's short-term general rental tax from 9% to 11%, paid only by hotel guests/short-term renters, generating approximately \$2,200,000 annually until ended by voters, requiring independent audits, public oversight, and local control of funds be adopted?</b>	<b>YES</b>	
	<b>NO</b>	

**Section 5.** That the text of the Ordinance to be submitted to the voters is attached to this Resolution as Exhibit "A" and incorporated herein by this reference ("Ordinance").

**Section 6.** That pursuant to Elections Code Section 9280, the City Council hereby directs the City Clerk to transmit a copy of the Ordinance to the City Attorney to prepare an impartial analysis of the Ordinance which shall not exceed 500 words in length.

**Section 7.** That pursuant to Elections Code Section 9282, the City Council may file a written argument in favor of the Ordinance, which shall not exceed 300 words in length regarding the City measure, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code and may change the argument as allowed by law.

**Section 8.** That pursuant to Elections Code Section 9287, if more than one argument for or more than one argument against the Ordinance is submitted to the City Clerk within the time prescribed by law, he or she shall select one of the arguments in favor and one of the arguments against the Ordinance for printing and distribution to the voters, giving preference in such selection in the following order:

1. The City Council, or member or members of the City Council authorized by the City Council.

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2. Bona fide associations of citizens.
3. Individual voters who are eligible to vote on the Ordinance.

**Section 9.** That pursuant to Elections Code Sections 9220 and 9285, when the City Clerk has selected the arguments for and against the Ordinance which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the Ordinance to the author or authors of the argument against, and copies of the argument against the Ordinance to the author or authors of the argument in favor. The author or authors may submit a rebuttal argument to the direct argument not exceeding 250 words. Rebuttal arguments shall be printed in the same manner as the direct arguments and shall immediately follow the direct argument which it seeks to rebut. All previous resolutions providing for the filing of rebuttal arguments for City measures are repealed, and this Section shall only apply to the election on the Ordinance to be held on November 8, 2016.

**Section 10.** In accordance with Section 10002 of the Elections Code, the Board of Supervisors of Riverside County is hereby requested to consent to the Registrar of Voters rendering election services to the City as may be requested by the City Clerk of said City, the County of Riverside to be reimbursed in full for such services as are performed. The Board of Supervisors of Riverside County is also requested to consent and agree to the consolidation of the General Election with any other election occurring on November 8, 2016, and the City hereby consents to any such consolidation.

**Section 11.** The election services which the City requests of the Registrar of Voters, or such other official as may be appropriate to perform, and which such officer is hereby authorized and directed to perform if the said Board of Supervisors consents, include: the preparation, printing and mailing of sample ballots and polling place cards, the establishment or appointment of precincts, polling places, and election officers, opening and closing of polling places, and making such publications as are required by law in connection therewith; the furnishing of ballots, voting booths and other necessary supplies or materials for polling places, the canvassing of the returns of the election and the furnishing of the results of such canvassing to the City Clerk, and the performance of such other election services as may be requested by said City Clerk.

**Section 12.** That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to California Elections Code Section 10242 and Section 14212, except as provided in California Elections Code Section 14401 or any other provision of law.

**Section 13.** All persons qualified to vote at municipal elections in the City on the day of the election herein provided for shall be qualified to vote on the Ordinance hereby submitted at the General Municipal Election.

**Section 14.** In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding General Municipal Elections in the City.

**Section 15.** Notice of the time and place of holding the General Municipal Election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

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**Section 16.** The City Clerk shall receive the canvass as it pertains to the General Municipal Election, and shall certify the results to this City Council, as required by law.

**Section 17.** If any section, subsection, sentence, clause, phrase or provision of this Resolution or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other provision or applications, and to this end the provisions of this Resolution are declared to be severable. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, phrase or provision thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or provisions thereof be declared invalid or unconstitutional.

**Section 18.** Pursuant to California Elections Code section 9295, this Resolution and the attached Ordinance will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the sample ballot.

**Section 19.** This Resolution shall take effect immediately upon its adoption by a two-thirds vote of all of the members of the City Council.

**Section 20.** The City Clerk of the City of Palm Desert is hereby directed to certify to the passage and adoption of this Resolution and to file a certified copy of this Resolution with the Board of Supervisors of Riverside County and the Registrar of Voters of Riverside County at least 88 days before the date of the election.

**PASSED, APPROVED AND ADOPTED** this 28th day of July, 2016, by the City Council of the City of Palm Desert, California, by the following vote, to wit:

**AYES: HARNIK, JONATHAN, TANNER, WEBER, and SPIEGEL**

**NOES: NONE**

**ABSENT: NONE**

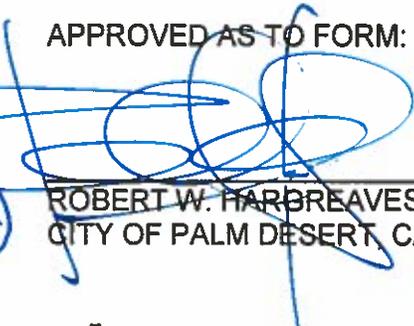
**ABSTAIN: NONE**

  
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ROBERT A. SPIEGEL  
MAYOR

ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
RACHELLE D. KLASSEN, CITY CLERK  
CITY OF PALM DESERT, CALIFORNIA

  
\_\_\_\_\_  
ROBERT W. HARBREEVES, CITY ATTORNEY  
CITY OF PALM DESERT, CALIFORNIA

**CERTIFICATION FOR RESOLUTION NO. 2016 - 71**

I, Rachelle D. Klassen, City Clerk of the City of Palm Desert, California, **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Palm Desert on the 28th day of July, 2016, by 5-0 vote of the City Council:

**AYES: HARNIK, JONATHAN, TANNER, WEBER, and SPIEGEL**

**NOES: NONE**

**ABSENT: NONE**

**ABSTAIN: NONE**



Rachelle D. Klassen, City Clerk  
City of Palm Desert

EXHIBIT "A"

ORDINANCE NO. 1307

AN ORDINANCE OF THE CITY OF PALM DESERT,  
CALIFORNIA, AMENDING SECTIONS 3.28.030 AND 3.28.070  
OF TITLE 3 OF THE PALM DESERT MUNICIPAL CODE  
RELATING TO TRANSIENT OCCUPANCY TAXES

WHEREAS, the People of the City of Palm Desert ("People") have the authority under Article XIIC, Section 2 of the California Constitution and California Government Code Section 53723 to approve general tax measures within the City of Palm Desert ("City").

NOW THEREFORE, THE PEOPLE OF THE CITY OF PALM DESERT DO ORDAIN AS FOLLOWS:

**Section 1.** Section 3.28.030 of Chapter 3.28 of Title 3 of the Palm Desert Municipal Code is hereby amended to include the underlined language and delete the ~~stricken~~ language as follows:

**"3.28.030 Tax Imposed.**

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of ~~nine~~ eleven percent of the rent charged by the operator or otherwise payable by the transient. The tax constitutes a debt owed by the transient to the city, which is extinguished only by payment to the operator or to the city.

For purposes of this section, the rent deemed payable on account of occupancy of a time-share estate shall be the rent charged or otherwise payable to the time-share estate owner by a lessee of the time-share estate. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due when the transient ceases to occupy space in the hotel or time-share. If for any reason the tax due is not paid to the operator of the hotel or time-share, the tax administrator may require that such tax shall be paid directly to the tax administrator. Tax on occupancies in exchange for services of any kind is due and payable to the city by the operator, the amount of tax being determined on the basis of ~~nine~~ eleven percent of the current rental value of the accommodations furnished."

**Section 2.** Section 3.28.070 of Chapter 3.28 of Title 3 of the Palm Desert Municipal Code is hereby amended to include the underlined language and delete the ~~stricken~~ language as follows:

**"3.28.070 Returns and payment.**

A. The tax imposed under Section 3.28.030 is due and payable to the tax administrator, on the first day of the month following the close of each calendar month and becomes delinquent on the first day of the second succeeding calendar month following the close of each calendar month.

B. Each operator shall, on or before the last day of the month following the close of each calendar month, or shorter reporting period which may be established by the tax administrator, complete a monthly transient occupancy tax form provided by the tax administrator of the total rents charged or chargeable as provided in Section 3.28.030, whether or not received, including any rentals charged for occupancies exempt under the provisions of Sections 3.28.020 through 3.28.040, and the amount of tax collected for transient occupancies. At the time the return is filed, the tax — fixed at the rate of ~~nine~~ eleven percent of the amounts of rentals charged or chargeable which are not exempt from tax under Sections 3.28.020, 3.28.040 and 3.28.120 — shall be remitted to the tax administrator. The tax administrator may establish shorter reporting periods and may require a cash deposit or bond for any permit holder, if he deems it necessary, to insure collection of the tax, and he may require further information in the return. All taxes collected by operators pursuant to this chapter shall be held in trust for the account of the city until payment thereof is made to the tax administrator.

C. Each operator shall notify the tax administrator, ten days prior to the sale or cessation of business for any reason and returns and payments are due immediately upon the sale or cessation of business."

**Section 3.** Proceeds of the tax imposed by this Ordinance shall be deposited into the general fund of the City and shall be available for all legal purposes.

**Section 4.** If any section, subsection, sentence, clause, phrase or provision of this Ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other provision or application, and to this end the provisions of this Ordinance are declared to be severable. The People hereby declare that they would have passed this Ordinance and each section, subsection, sentence, clause, phrase or provision thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or provisions thereof be declared invalid or unconstitutional.

**Section 5.** If adopted, this Ordinance will increase the rate of the City's existing Transient Occupancy Tax, which is a general tax of the City, by two percent (2%). This Ordinance was proposed by the City Council of the City of Palm Desert through the approval and introduction of this Ordinance and the adoption of Resolution No. 2016-71.

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**Section 6.** This Ordinance shall take effect only if approved by a majority of the eligible voters of the City of Palm Desert voting at a General Municipal Election to be held on November 8, 2016, and shall take effect immediately after the City Council has certified the results of the General Municipal Election by resolution.

**Section 7.** The Mayor is hereby authorized to attest to the adoption of this Ordinance by the People voting thereon on November 8, 2016, by signing where indicated below.

I hereby certify that the foregoing Ordinance was **PASSED, APPROVED AND ADOPTED** by the People of the City of Palm Desert voting on the 8th day of November, 2016.

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ROBERT A. SPIEGEL  
MAYOR

ATTEST:

APPROVED AS TO FORM:

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RACHELLE D. KLASSEN, CITY CLERK  
CITY OF PALM DESERT, CALIFORNIA

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ROBERT W. HARGREAVES, CITY ATTORNEY  
CITY OF PALM DESERT, CALIFORNIA

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