

# Transient Occupancy Tax & Utility Users Tax Discussion

February 3, 2026

# Overview

1. TOT follow up
2. Draft ballot measure language
3. Utility Users Tax information
4. Election timing

# Transient Occupancy Tax Follow Up

- Additional Information Regarding Proposed TOT Increase
  - Election detail, hotel feedback, hotel worker wage
- TOT Measure recommended for March 2027 Election
- Draft Ballot Measure Language prepared using examples provided by FM3 and other recent TOT Measures with input from Legal Counsel

# Draft Ballot Measure Language

- “To maintain critical City services, such as street and pothole repair, police and fire 911 emergency response and preparedness, park and landscape maintenance, senior and youth recreation programs; and for general government use; shall the City of Redondo Beach Ordinance raising the transient occupancy tax, paid only by hotel and lodging guests, from 12% to up to 15%, providing an estimated \$750,000 of revenue annually per 1% increase, and all funds staying local, be adopted?”

# Utility Users Tax Update

- RBMC Title 8, Section 9 Telephone, Gas, Electricity, Water, and Video Users' Tax Law
- Potential utility users tax (video tax) application to streaming services
- City of Santa Barbara case – confirmed on appeal, pending deadline for California Supreme Court Appeal
- RB ordinance update (video streaming tax collection) could require voter approval
- **Proposed action:** review ordinance and propose changes (if needed) to tax to streaming services

# Process

- March 2, 2027 Redondo Beach General Municipal Election (recommended)
  - Election formally called in November/December 2026
- Alternate Option – Unanimously declare a fiscal emergency and present the TOT measure to voters on an earlier election date (not recommended)

# Recommendations

- Receive and file the report
- Direct staff to prepare the TOT Ballot Measure for the City's March 2027 election
  - Review and provide edits on the draft ballot measure language
- Direct staff to
  - Monitor the final outcome of Santa Barbara's case
  - Review the City's UUT Ordinance for potential modifications to collect tax on video streaming services if Santa Barbara prevails