

## MEASURE H

### CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE H

The City of Morgan Hill currently imposes a Transient Occupancy Tax (TOT), sometimes referred to as a "hotel tax," at the rate of ten percent (10%) of the rent that is charged to guests for lodging at a hotel, motel, bed and breakfast, or other temporary or short-term rental lodging in the City. The TOT is a tax paid by guests who stay for a period of up to thirty consecutive days. The City Council has authorized the placement of a measure on the ballot seeking voter approval of an ordinance that would raise the TOT rate by one percent (1%) for a total of eleven percent (11%).

The revenues from the proposed increase in the TOT rate will be used for general municipal purposes such as maintaining public safety, including 9-1-1 emergency response times, neighborhood police patrols, and crime prevention; repairing potholes and maintaining city streets. The revenues cannot be taken by the state and would be deposited in the City's General Fund. This measure requires a simple majority vote for adoption.

A "yes" vote on Measure H would approve the ordinance increasing the transient occupancy tax rate from 10% to 11%.

A "no" vote on Measure H would disapprove the ordinance and keep the TOT rate at 10%.

/s/ Donald A. Larkin  
City Attorney

**The above statement is an impartial analysis of Measure H. If you desire a copy of the ordinance or measure, please call the City Clerk's office at (408) 779-7259. A copy will be mailed to you at no cost.**

## ARGUMENT IN FAVOR OF MEASURE H

Vote Yes on Measure H. The passage of Measure H will raise needed revenues for vital City services, to be paid by visitors to the City with zero costs to Morgan Hill residents.

Measure H would increase the City's Transient Occupancy Tax (TOT) from 10% to 11% of the cost of a hotel room stay. The TOT is a tax paid by visitors who stay in hotels, motels, and short-term rentals.

The TOT helps ensure that those who visit Morgan Hill and enjoy the services we offer (roads, police, fire, etc.) help pay for the added demand on those services. The cost of providing the high-quality services our community enjoys continues to rise and City revenues have not kept pace. Increasing the TOT will help pay for these increased costs from visitor stays in Morgan Hill.

All of the revenue from Measure H stays in Morgan Hill and cannot be taken by the State.

In Fiscal Year 2017-18, the TOT in Morgan Hill generated approximately \$2.7 million in revenue for the City. A 1% increase in the TOT will generate approximately \$270,000 annually.

Vote YES on Measure H to help Morgan Hill build a stronger local economy and protect important City services.

/s/ Steve Tate  
Mayor, City of Morgan Hill

/s/ Rich Constantine  
Mayor Pro Tempore, City of Morgan Hill

/s/ Larry Carr  
Councilmember, City of Morgan Hill

/s/ Caitlin Robinett Jachimowicz  
Councilmember, City of Morgan Hill

/s/ Rene Spring  
Councilmember, City of Morgan Hill

**NO ARGUMENT AGAINST MEASURE H WAS SUBMITTED**