

RESOLUTION NO. 2024-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ORDERING THE SUBMITTAL OF A MEASURE TO THE QUALIFIED ELECTORS OF THE CITY OF RANCHO CUCAMONGA — KNOWN AS THE CITY OF RANCHO CUCAMONGA TRANSIENT OCCUPANCY TAX MEASURE — WHICH WOULD APPROVE AN ORDINANCE TO INCREASE BY 2% THE CITY'S TRANSIENT OCCUPANCY TAX RATE FROM 10% TO 12% AND ORDERING THE SUBMITTAL OF SAID ORDINANCE TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024

WHEREAS, the City of Rancho Cucamonga seeks to obtain sufficient funding to maintain the high quality of City services; and

WHEREAS, without additional local revenue, the City Manager has stated that the City will need to cut programs that serve key City general functions such as supporting public safety, addressing homelessness, improving infrastructure, maintaining and improving parks and open space, supporting City seniors and youth, and planning for long-term budgeting of other public programs;

WHEREAS, the City wants to exercise local control over its fiscal sustainability, and protect the health, security, and high quality of life of Rancho Cucamonga citizens; and

WHEREAS, the measure as written adopts an accountability provision to require an annual audit of the collection and expenditure of revenue from the tax levied by this Ordinance and ensure that revenue from the tax is only used for local services and infrastructure; and

WHEREAS, the City needs additional funding to maintain, among other programs and general services, street and pothole repairs, community and neighborhood safety, and successful crime prevention programs that keep residents safe; and

WHEREAS, Transient Occupancy Tax is paid only by visitors to the City who also benefit from the excellent general services the City provides, including public safety services, parks and recreation opportunities and building and safety services.

WHEREAS, the City Council proposes to submit to the voters of the City an Ordinance providing for an increase to the existing Transient Occupancy Tax rate from ten percent (10%) to twelve percent (12%).

NOW, THEREFORE, the City Council of the City of Rancho Cucamonga hereby finds, determines, and resolves as follows:

Section 1. The City Council hereby finds that the facts set forth in the recitals of this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

Section 2. By Resolution No. 2024-030, adopted on May 15, 2024, the City Council has previously called and given notice of the General Municipal Election to be held in the City on November 5, 2024, and to be consolidated with the Presidential General Election conducted on the same date. Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that at the said election, a general Tax Ordinance be submitted to the voters for approval. The full text of the Rancho Cucamonga general Transient Occupancy Tax Ordinance is attached to this Resolution as Exhibit A and incorporated herein by this reference and shall be printed in full in the sample ballot. The question to be submitted to the voters shall appear and be printed on the ballot as follows:

City of Rancho Cucamonga Transient Occupancy Tax Measure	
In order to provide general city services, such as public safety, roads, and improvements to parks and open space, shall the City of Rancho Cucamonga adopt an ordinance to increase its transient occupancy tax, a tax paid only by hotel and short term rental guests, from 10 percent to 12 percent until ended by voters, providing approximately \$1,000,000 annually, subject to citizen oversight and City Council authority to reduce the tax if funds are unnecessary?	YES
	NO

Section 3. The City Council hereby approves the proposed the Rancho Cucamonga Transient Occupancy Tax Ordinance, attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a general tax, as defined in Article XIII C of the California Constitution, collected by hotel or motel operators or short-term rental owners from transients, to be increased from the rate of 10% to a rate of 12%, which operators will then pay to the City. The Ordinance shall not take effect unless and until approved by a vote of at least a majority of voters voting on the question at the election.

Section 4. The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.

Section 5. The City Council directs that arguments for and against the measure may be filed in accordance with applicable law, and hereby authorizes individual member of the City Council to file a written argument or any rebuttal argument for or against the measure.

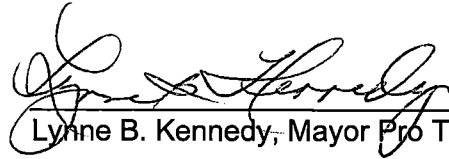
Section 6. In all particulars not recited in this Resolution, the General Municipal Election shall be held and conducted as provided by law for holding municipal elections. All persons qualified and registered to vote in the City of Rancho Cucamonga as of the date of such election shall be entitled to vote on the measure.

Section 7. The City shall reimburse the County of San Bernardino for any additional costs associated with the submission of this measure to the voters.

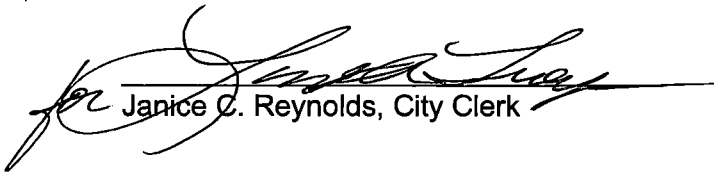
Section 8. The City Clerk is hereby directed to submit a certified copy of this Resolution to the San Bernardino County Registrar of Voters Office and to the San Bernardino County Board of Supervisors.

Section 9. The Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

PASSED, APPROVED, and ADOPTED this 15th day of May, 2024.


Lynne B. Kennedy, Mayor Pro Tem

ATTEST:


Janice C. Reynolds, City Clerk

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO) ss

CITY OF RANCHO CUCAMONGA)

I, **Janice C. Reynolds**, City Clerk of the City of Rancho Cucamonga, do hereby certify that the foregoing Resolution was duly passed, approved, and adopted by the City Council of the City of Rancho Cucamonga, at a Regular Meeting of said Council held on the 15th day of May, 2024.

AYES: Hutchison, Kennedy, Scott, Stickler

NOES: None

ABSENT: Michael

ABSTAINED: None

Executed this 16th day of May, 2024, at Rancho Cucamonga, California.

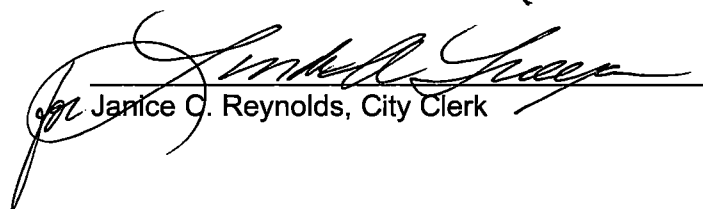

Janice C. Reynolds, City Clerk

EXHIBIT A

ORDINANCE NO. XXX

AN ORDINANCE OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, AMENDING SECTION 3.40.020 OF CHAPTER 3.40 OF TITLE 3 OF THE RANCHO CUCAMONGA MUNICIPAL CODE TO INCREASE THE CITY'S EXISTING TRANSIENT OCCUPANCY TAX RATE FROM TEN PERCENT (10%) TO TWELVE PERCENT (12%)

The People of the City of Rancho Cucamonga do hereby ordain as follows:

Section 1. Municipal Code Amendment. Section 3.40.020 ("Imposition of tax") of Chapter 3.40 ("Transient Occupancy Tax") of Title 3 ("Revenue and Finance") of the Rancho Cucamonga Municipal Code is hereby amended to read as follows:

"3.40.020 – Imposition of tax.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of twelve percent (12%) of the rent charged by the operator. Said tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or to the city. 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 upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the tax administrator may require that such tax shall be paid directly to the city."

Section 2. Future Amendments. Notwithstanding California Elections Code Section 9217, without a vote of the People of the City of Rancho Cucamonga, the Rancho Cucamonga City Council may do any and all of the following: (i) repeal this Ordinance; (ii) reduce the rate of the transient occupancy tax below twelve percent (12%); (iii) increase the rate of the transient occupancy tax back to 12% if it has previously been reduced below such rate; or (iv) amend any other provision of Rancho Cucamonga Municipal Code Chapter 3.40 that does not increase the rate of the tax above 12%. In no event shall the City Council increase the rate of the transient occupancy tax in excess of 12% without approval by a majority of the voters voting in an election on the increase.

Section 3. General Tax. If adopted, this Ordinance will increase, as set forth herein, the rate of the City's existing transient occupancy tax, which is a general tax of the City.

Section 4. Public Accountability. Each year, as part of the audit of the City's financial statements, the City's independent auditors shall complete a report reviewing the collection and expenditure of revenue from the tax levied by this Ordinance. Revenue

from the tax shall be used to fund governmental services and infrastructure within the City of Rancho Cucamonga.

Section 5. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The People of the City of Rancho Cucamonga hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

Section 6. Effective Date. The Mayor and City Clerk are hereby authorized to attest to the adoption of this Ordinance by signing where indicated below. This Ordinance shall take effect ten days following certification of the vote by the City Council.

PASSED, APPROVED, AND ADOPTED by the People of the City of Rancho Cucamonga, California, voting on the 5th day of November, 2024.

L. Dennis Michael, Mayor

ATTEST: _____
Janice C. Reynolds, City Clerk