

## **COUNTY OF LAKE TRANSIENT OCCUPANCY TAX USAGE & EXPENDITURE POLICIES & PROCEDURES**

### **I. PURPOSE**

The following policies and procedures provide history and guidelines for the expenditure of Transient Occupancy Tax (TOT) funds.

### **II. HISTORY**

TOT is authorized by Section 7280 of the Revenue and Taxation Code which does not limit the uses which can be made of the TOT revenue.

The sections of the Government Code which are the basic authority for the Board of Supervisors to spend monies to advertise and promote the County are to be found in Division 2, Part 2 Chapter 11 beginning at Section 26100.

### **III. ALLOCATION OF FUNDS**

The revenue collected from the nine (9) percent Transient Occupancy Tax (TOT), implemented by Ordinance No. 2033, shall be allocated among the following programs:

- A. Revenues generated from one percent (1%) of the nine percent (9%) tax rate shall be allocated to fund the Clear Lake aquatic weed program and other programs for the enhancement of Clear Lake which benefit the local tourism industry.
- B. Revenues generated from one percent (1%) of the nine percent (9%) tax rate shall be allocated to the Lake County Parks Division for purposes of operating, maintaining and improving the County's parks and recreation facilities in the unincorporated area of Lake County, for the benefit of the local tourism industry.
- C. \$150,000 of the annual TOT revenues received shall be allocated to support those law enforcement services in the unincorporated areas of Lake County which are necessary to support the local tourism industry.
- D. No more than \$95,000 of the annual TOT revenues received shall be allocated to support the County Museums.
- E. \$78,000 of the annual TOT revenues received shall be allocated to support marketing through a direct contribution to the Lake County Tourism Improvement District (LCTID). The annual \$10,000 contribution made by the Habematolel Pomo of Upper Lake shall be passed through to the LCTID as an additional contribution.

- F. The balance of revenues generated from the nine percent (9%) tax rate shall be allocated to support general economic development activities.

The TOT allocation, as described above, shall be reviewed annually during County budget hearings. The purpose of the review is to determine whether or not the TOT allocations specified above should be revised to reflect the most effective means to promote tourism and economic development in Lake County.

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(Board of Supervisors Resolution No. 95-189 dated 9/5/95, and amended 7/22/04)