

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. The balance of revenues generated from the nine percent (9%) tax rate shall be allocated to the County Marketing and Economic Development Program to be used for advertising and promoting tourism and commerce in Lake County, including general economic development activities; funding highway and tourist oriented signage

projects; funding tourism infrastructure and funding operation of the County's Visitor Information Center(s).

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.

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