

ORDINANCE NO. 04-06

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NAPA AMENDING CHAPTER 3.32 OF THE NAPA COUNTY CODE FOR THE PURPOSE OF INCREASING THE TRANSIENT OCCUPANCY (HOTEL) TAX RATE FROM TEN AND ONE-HALF PERCENT TO TWELVE PERCENT, AND REQUIRING ANY FUNDS GENERATED AS A RESULT OF THE IMPOSITION OF THIS INCREASE IN THE TRANSIENT OCCUPANCY (HOTEL) TAX TO BE TREATED AS THE PROCEEDS OF A GENERAL TAX AND SPENT FOR GENERAL GOVERNMENTAL PURPOSES.

The Board of Supervisors of the County of Napa ordains as follows:

SECTION 1. Findings. The Board of Supervisors of the County of Napa finds that:

(a) Insufficient public funds at the state level have created an unprecedented financial crisis for California. In this regard, counties statewide have had to suffer funding cuts and persisting uncertainty in regard to their ability to continue delivery of services to their constituents, especially to children and to the frail and elderly. To help alleviate the consequences of future state funding cuts, and to help improve the quality and level of County services currently being offered, it is important the County find other sources of revenues for general governmental purposes, preferably reliable sources which the state would not be able to appropriate in times of financial hardships.

(b) Under current state laws and regulations, the Transient Occupancy Tax (hereafter the "TOT"), a local tax, is not subject to appropriation by the state. Increasing the TOT from 10.5% to 12.0% would be in the best interests of County residents since this source of revenue could be used in the coming years for the highest and best use in the delivery of County services as determined by the Board of Supervisors.

(c) TOT is paid for by tourists who stay at the hotels within the unincorporated areas. It is not paid for by the businesses running the local hotels.

(d) The County has an obligation to provide services to residents of the unincorporated areas of the County as well as certain services to residents of municipalities. Since tourists benefit as much as County residents from County services such as road maintenance, emergency response, health inspections and the like, it is appropriate that Tourists visiting Napa pay their fair share of these County services.

(e) The TOT rates of four of the County's five municipalities stands at 12.0%. Guests staying in unincorporated area establishments should pay the same 12.0% rate.

(f) State law, including but not limited to sections 53720 et seq. of the Government Code and Article XIII C of the California Constitution (more commonly known as Proposition 218), provides that general taxes may not be imposed unless approved by this Board and a majority vote of the electorate voting on the matter.

SECTION 2. Purpose and Intent. The Board finds that in adopting this increase in the transient occupancy tax, it is their intent that the tax revenues to be generated by this increase in the transient occupancy tax be deemed the proceeds of a general tax and be utilized for general governmental purposes:

SECTION 3. A new Section 3.32.031, entitled "**Additional Tax**" is added to the Napa County Code to read in full as follows:

3.32.031 Additional tax.

Commencing January 1, 2005, the transient occupancy tax imposed by section 3.32.030 is increased by 1.5% to a total of 12.0% pursuant to the authority set forth in section 7280 of the California Revenue and Taxation Code and related statutory and constitutional authority.

SECTION 4. An election shall be ordered to enable the voters of Napa County to approve or reject this ordinance. The date of the election shall be November 2, 2004.

SECTION 5. This ordinance shall be deemed an urgency ordinance that may be passed immediately upon introduction in that it is an ordinance calling or otherwise relating to an election as well as an ordinance fixing the amount of money to be raised by taxation and the rate of tax to be levied.

SECTION 6. This ordinance shall be considered as adopted in accordance with State law and take effect only after securing an approval by majority of the voters voting on the matter at an election called for that purpose.

SECTION 7. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this ordinance which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this ordinance are severable.

SECTION 8. This ordinance shall be published at least once before the expiration of 15 days after its passage in the Napa Valley Register, a newspaper of general circulation published in the County of Napa, together with the names of members voting for and against the same. The foregoing ordinance was introduced, read and passed at a regular meeting of the Board of Supervisors of the County of Napa, State of California, held on the 13th day of July, 2004, by the following vote, which is no less than a two-thirds vote of all members of the Board as required by Government Code section 53724(b):

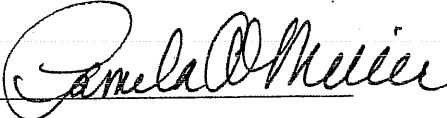
AYES:	SUPERVISORS	DODD, WAGENKNECHT, RIPPEY, DILLON and LUCE
NOES:	SUPERVISORS	NONE
ABSTAIN:	SUPERVISORS	NONE
ABSENT:	SUPERVISORS	NONE

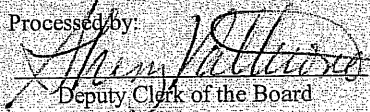


MARK LUCE, CHAIR
Napa County Board of Supervisors

ATTEST:

PAMELA A. MILLER
Clerk of the Board

By: 

**Approved by the Napa County
Board of Supervisors**
Date: July 13, 2004
Processed by: 
Deputy Clerk of the Board

**APPROVED AS TO FORM
Office of County Counsel**
By: E-Signature by Robert Westmeyer
County Counsel
By: E-Signature by Sue Ingalls
County Code Services
Date: July 15, 2004