

Transient Occupancy Tax Ballot Measure – FAQ

1. What is a Transient Occupancy Tax or “TOT”?

- A tax paid by transients who rent a hotel room or similar lodging facility in Del Mar, for a stay of 30 consecutive calendar days or less.
- TOT is not a tax on:
 - Residents
 - Property owners
 - Long-term renters (more than 30 days)
 - Hotel operators
 - Short-term rental operators

2. Who pays TOT?

- Visitors who stay in hotels, motels, inns, or similar lodging facilities in Del Mar.

3. What is the tax currently and what is proposed in the ballot measure?

- The City’s current TOT rate is 13% and only applies to hotels and lodging facilities with 3+ units.
- The Ballot Measure proposes expanding the definition of “hotel” to apply TOT to all lodging facilities in Del Mar, regardless of the number of units, including short-term rentals (less than 30 days).

4. If the ballot measure is approved, will TOT apply to renters?

- No. TOT will only apply to transients who occupy hotels and similar lodging facilities, including short-term rentals, for less than 30 days.

5. How does what is being proposed compare to our neighboring cities?

- All neighboring cities collect TOT from lodging facilities with less than 3 units and short-term rentals.

6. How much additional funding will be raised?

- Approximately \$775,000 annually in General Fund revenue.

7. How would the additional funding be used?

- TOT revenue may be used for any general municipal purpose, including police, fire, emergency medical services; street and infrastructure operation, repair and maintenance; improvement of City beaches, parks, trails, libraries and other amenities.

8. Can the tax revenue be taken by the state or federal governments?

- No. TOT generated in Del Mar stays here and can’t be taken by the State or Federal governments.

9. How does the ballot measure impact short-term rentals in Del Mar?

- Currently, short-term rentals are not a permitted use under the Del Mar Municipal Code. The City is in the process of adopting provisions to regulate short-term rentals. By expanding the definition of “hotel” to include lodging facilities with less than 3 units and short-term rentals, these facilities would be subject to the same tax that guests of hotels with 3+ units are charged to ensure the City’s services and amenities used and impacted by tourism are paid for by all transients visiting Del Mar.