

# Staff Summary Report



**Council Meeting Date:**

**Agenda Item Number:** \_\_\_\_\_

**SUBJECT:** Request approval of a Resolution No. 2009.122 which will submit to voters at the March 9, 2010 election a question increasing the hotel bed tax from 3% to 5%.

**DOCUMENT NAME:** 20091119casv01 **BED TAX ELECTION (0506-28-03)** Resolution No. 2009.122

**COMMENTS:** The proposition will appear on the March 9, 2010 Primary Election ballot at an additional estimated cost of \$32,000 to \$50,000.

**PREPARED BY:** Andrew B. Ching, City Attorney (480) 350-8575

**REVIEWED BY:** N/A

**LEGAL REVIEW BY:** Andrew B. Ching, City Attorney (480) 350-8575

**FISCAL NOTE:** Additional election costs are estimated at \$32,000 to \$50,000. If the tax increase is approved, the City would deduct the City's costs from bed tax revenue.

**RECOMMENDATION:** Recommend approval of Resolution No. 2009.122.

**ADDITIONAL INFO:** Resolution No. 2009.122 submits an increase in the transaction privilege tax (bed tax) to the qualified electors at the March 9, 2010 primary election, increasing the hotel bed tax from 3% to 5%.

**RESOLUTION NO. 2009.122**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, SUBMITTING AN INCREASE IN THE TRANSACTION PRIVILEGE TAX TO THE QUALIFIED ELECTORS AT THE NEXT REGULARLY SCHEDULED PRIMARY ELECTION.**

WHEREAS, the Council has the authority under Section 5.02 of the Tempe City Charter to levy a transaction privilege (sales) tax and use tax and to submit it before the qualified electors of the City a primary election; and

WHEREAS, the City currently levies and collects a three percent (3%) tax on the gross income from motel and hotel rooms rentals, and other room rentals when individuals stay for thirty (30) days or less, and it is proposed that the tax be increased to five percent (5%) with the additional two percent (2%) for the promotion of tourism.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, as follows:

That the proposed ballot question, as set forth in Attachment A, shall be submitted to the qualified electors of the City for vote thereon at the next regularly scheduled primary election.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this \_\_\_\_\_ day of \_\_\_\_\_, 2009.**

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

## ATTACHMENT A

Submitted to the Qualified Electors Pursuant to Tempe City Charter § 5.02.

### OFFICIAL TITLE

Resolution No. 2009.122. A Resolution submitting a proposed transaction privilege tax increase to the qualified electors pursuant to Tempe City Charter § 5.02.

### DESCRIPTIVE BALLOT TITLE

Shall the City of Tempe be authorized to increase the hotel bed tax (i.e. transaction privilege tax on transient lodging of thirty days or less) to five percent (5%) from the current three percent (3%) with the additional two percent (2%) for the promotion of tourism.

YES

NO