

Transient Occupancy Tax Discussion

November 18, 2025

OUTLINE

1. TOT Rate Comparison
2. Adjustment Options
3. Hotel Impacts
4. Process



TOT Rate Comparison

City	TOT Rate	Other Rate Type	Other Rate
Inglewood	15.5%		
Santa Monica	15.0%	Tourism District Short-term Rentals	+\$2.20-\$7/ night +2%
Anaheim	15.0%	Tourism District	+2%
Malibu	15.0%		
Beverly Hills	14.0%	Development Agreement	Varying
Culver City	14.0%		
Manhattan Beach	14.0%		
Hermosa Beach	14.0%		
Los Angeles (City)	14.0%	Tourism District (50+ rooms)	+2%
Hawthorne	12.0%		
Redondo Beach	12.0%	Tourism District	+1%
Marina del Rey (LA County rate)	12.0%	Tourism (self-assessment)	+3%
Palm Springs	11.5%	Group Meeting Hotels	+2%
Torrance	11.0%		

Adjusted Rate Options

- Set effective date
- Provide flexibility with an “up to” amount
- Exempt or carve out certain hotels
 - Location
 - # of Rooms/ ADR



Hotel Impacts

- Research mixed, most shows limited impact
 - Depends on local market characteristics, demand, and market conditions
 - May more strongly impact group travel
 - Weak demand could increase impact on visits and revenue
- Mitigation
 - Rate increase timing
 - Some revenue supports tourism industry

Hotel Impacts

- Outreach:
 - Redondo Beach Tourism Marketing District (RBTMD)
 - Does not oppose a TOT increase
 - Proposes 1% TMD rate increase
 - Some concern with demand
- Other Hotel Comments
 - 14% TOT rate would not leave room for TMD assessment increase



Process

- Could consider polling to gauge resident response
- TOT measures pass at a fairly high rate

TOT Measures State of California			
Year	# of Measures	# Passed	Passage Rate
2024	28	23	82%
2022	22	16	73%
2020	22	18	82%

Process

- June 2, 2026 statewide primary
- Discussion item with proposed ordinance changes
 - January/ February 2026
- Call Election
 - On or before March 3, 2026 meeting
 - Supporting resolutions
 - Arguments in favor, rebuttal of arguments against (if necessary)
- Election results certified June 26, 2026
 - Council sets effective date, tax rate

Council Actions

- Receive and file report information
- Direct staff regarding next steps
 - Business outreach
 - Additional research
 - Prepare ordinance, resolutions, ballot measure

