



Dear Industry Partners,

Tourism Economics today updated the top-line projections for the coronavirus economic impact on the travel industry in the United States.

Projected tourism losses for the year increased 25 percent from the March outlook, to \$519 billion. The economic fallout from the crisis now is projected to be nine times worse than the 9/11 terrorist attacks, up from seven times worse.

We need to stay updated on these projections and use them to push for stimulus on behalf of California tourism businesses, workers and marketing organizations.

As we make our case, we must also remind policymakers how tax revenue from tourism fuels local governments in California well beyond tourism marketing organizations.

Visit California last week analyzed data from the California State Controller to see just how much Transient Occupancy Taxes paid for local services across the state. We compared total TOT collections in each city as a percentage of general government and public safety spending.

- On average, hotel taxes accounted for 12.4 percent of that city spending.
- Across California, 68 cities count on TOT revenue to cover at least 20 percent of that spending.
- Nearly every California city – 482 to be exact – levied TOT in the 2017-18 fiscal year that raised nearly \$2.6 billion for municipal services. That's money for police and fire and most of the general government functions cities take on.
- TOT collections in 23 cities covered half of general government and public safety spending. Those include mostly small- to mid-sized cities, such as Bishop, Monterey, Palm Springs, Goleta and South Lake Tahoe. TOT covered more than 100 percent of general government and public safety spending in three cities, meaning the funds covered other services, too, like road maintenance, libraries and local parks.

California Transient Occupancy Tax: Top 15 cities

The 15 California cities in which Transient Occupancy Tax collections made up the largest percentage of general government and public safety spending.

	City	2018 TOT collections	Proportion of general/safety budgets
1	Mammoth Lakes	\$23,056,573.00	266
2	Solvang	\$4,320,318.00	136
3	Yountville	\$6,337,525.00	114
4	Burlingame	\$27,935,991.00	88
5	Plymouth	\$349,809.00	86
6	Half Moon Bay	\$6,434,808.00	84
7	South Lake Tahoe	\$20,902,441.00	83
8	Buellton	\$2,832,056.00	79
9	Calistoga	\$5,888,876.00	78
10	Avalon	\$4,638,955.00	75
11	Dana Point	\$13,653,199.00	72
12	Westlake Village	\$3,943,355.00	70
13	Goleta	\$10,117,460.00	66
14	Indian Wells	\$7,942,995.00	65
15	Pismo Beach	\$10,039,921.00	62

In some cities, TOT covers the entire general and public safety budgets, with the excess used for other purposes.

Source: [California State Controller](#) • [Get the data](#) • Created with [Datawrapper](#)

These tax benefits will drop precipitously this year as tourism pauses and hotel occupancy declines, further adding to the economic burden local governments feel because of coronavirus. Good to keep in mind as we talk to local, state and federal elected officials about tourism's critical role restarting the economy.

Also, John Lambeth at Civitas this week confirmed Visit California's analysis that cities and counties cannot defer revenue from Tourism Improvement Districts. They may, however, work with owners' associations to modify management district plans to use the TID revenue for coronavirus-related recovery needs.

"Thank You for Dreaming"

I'd like to encourage all of you to join in mass social sharing on Friday of Visit California's video, "Thank You for Dreaming." It features inspirational moments from across the Golden State, as well as the nation and world. Just like this

pandemic, gratitude for heroic front-line workers in health care, food service and hospitality transcends borders. Visit California's [social posts are live and available for sharing now](#). Re-sharing the post as an industry and state together on the same day provides a sense of unity and creates greater impact than any of us could alone.

As always, thank you for your support and resilience during this time.

Dream Big!

Caroline Beteta

President & CEO

Visit California