

**CITY OF AMERICAN CANYON
CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE H**

American Canyon ("City") currently levies a transient occupancy tax ("TOT"), also generally known as a "hotel tax," at the rate of 12% of the daily room rate for guests occupying hotel rooms, motel rooms, and similar temporary overnight lodging (collectively, "hotels") in the City for periods of thirty consecutive days or less. The hotel guests pay the tax, which is collected by the hotel operator and sent to the City. The current 12% TOT is used to fund general municipal services.

Measure H asks voters whether the City should increase the TOT by 1%, for a new total TOT of 13%. If approved, this measure will amend the City's current TOT ordinance so that the revenue from the 1% increase, which is estimated to be approximately \$140,000 annually, will be restricted to increase, improve, and preserve the City's affordable and workforce housing. The remaining 12% will continue to be used for general government services.

Because the 1% increase proposed by Measure H is restricted for a specific purpose, it is a special tax and will become effective only if approved by more than 2/3 of those voting on the measure.

State law permits the City to levy a tax on guests occupying temporary lodging located in the City. Measure H would only increase the TOT rate for hotels within the City. The measure would not change the TOT rate for lodging located in other areas of Napa County. Measure H was placed on the ballot with unanimous approval of the American Canyon City Council.

A "yes" vote on Measure H will authorize the City to increase the TOT by 1%, with the new additional funds restricted for increasing, improving, and preserving affordable and workforce housing in the City, with the new tax rate taking effect on January 1, 2019.

A "no" vote will not increase the tax rate, and the City will continue to collect the TOT at its current rate.

The full text of Measure H is printed in this ballot pamphlet.