

County of Monterey Revenue Measure Options

BOARD OF SUPERVISORS MEETING 06/20/2024

Action Items

- a. Consider adopting a resolution calling for an election for the purpose of submitting to the qualified electors (**entire County**) of the County of Monterey a countywide measure to raise the retail transactions and use tax (**sales tax**) in the unincorporated area by 1% (4/5 vote required);

OR

- b. Consider adopting a resolution calling for an election for the purpose of submitting to the qualified electors (**unincorporated County only**) of the County of Monterey a countywide measure to raise the retail transactions and use tax (**sales tax**) in the unincorporated area by 1% (4/5 vote required);

AND/OR

- c. Consider adopting a resolution calling for an election for the purpose of submitting to the qualified electors of the County of Monterey a countywide measure to raise the **transient occupancy tax** by 0.5% for **hotels** and by 5% for **short-term vacation rentals** (4/5 vote required)
- d. Provide direction to staff

Current Environment

County facing significant challenges

- High cost of living in the County with shortage of affordable housing, impacting all residents

Forecasted deficit for upcoming years of more than \$20 million

FY 2024-25 Recommended Budget is balanced but pending challenges could change that

- Pending labor negotiations
- State budget impacts
- Wage studies

Climate Change

- Emergencies likely continue to be the norm in upcoming fiscal years.

Jurisdiction	Rate
Carmel-by-the-Sea	9.25%
Del Rey Oaks	9.25%
Gonzales	8.75%
Greenfield	9.50%
King City	8.75%
Marina	9.25%
Monterey	9.25%
Monterey County	7.75%
Pacific Grove	9.25%
Salinas	9.25%
Sand City	9.25%
Seaside	9.25%
Soledad	9.25%

Sales Tax – in County Comparison

THE COUNTY HAS THE LOWEST SALES TAX RATE IN THE COUNTY AT 7.75%

Sales Tax – How Much the County Receives

OF THE TOTAL, 1% GOES TO THE COUNTY FOR GENERAL SERVICES PROVIDED TO THE COMMUNITY.

Jurisdiction	Rate	Purpose
State	3.69%	Goes to State's General Fund
State	0.25%	Goes to State's General Fund
State	0.50%	Goes to Local Public Safety Fund to support local criminal justice activities (1993)
State	0.50%	Goes to Local Revenue Fund to support local health and social services programs (1991 Realignment)
State	1.06%	Goes to Local Revenue Fund 2011
Local	1.25%	0.25% Goes to county transportation funds 1.00% Goes to city or county operations
Total:	7.25%	
Local District	0.125%	Monterey-Salinas MST Special Transit District
Local District	0.375%	Monterey Transportation Safety Transactions and Use Tax
Total Rate	7.750%	

County or City	Base TOT Rate
County of Monterey	10.5%
Santa Cruz County	12.0%
City of Monterey	12.0%
City of Marina	14.0%
City of Watsonville	12.0%
Sonoma County	12.0%
Santa Barbara County	12.0%
San Luis Obispo	12.5%

Jurisdiction	Rate
Carmel-by-the-Sea	10.00%
County of Monterey	10.50%
Del Rey Oaks	10.00%
Gonzales	8.00%
Greenfield	10.00%
King City	10.00%
Marina	14.00%
Monterey, City	12.00%
Pacific Grove	12.00%
Salinas	10.00%
Sand City	12.00%
Seaside	12.00%
Soledad	12.00%

Transient Occupancy Tax (TOT) - Comparison

- County of Monterey is:
 - the lowest when compared to nearby counties
 - among the lowest when compared to other municipalities within the County

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Questions
