



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 24-648

October 08, 2024

Introduced: 9/24/2024

Current Status: Agenda Ready

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Matter Type: General Agenda Item

Adopt a Resolution amending Article XV of the Monterey County Master Fee Resolution, effective November 8, 2024, adding clarifying language and authorizing new fees for Treasurer-Tax Collector services.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a Resolution amending Article XV of the Monterey County Master Fee Resolution, effective November 8, 2024, adding clarifying language and authorizing new fees for Treasurer-Tax Collector services.

SUMMARY:

On September 10, 2024, the Board of Supervisors approved Ordinance No. 24-028 amending Chapter 7.02 of the Monterey County Code (“MCC”) with the addition of Section 7.02.060(B) and (C) implementing a business license requirement for all Hotels as defined by Section 5.40020(A) (“Hotels”) and all Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals as defined by Section 7.120.020(E), (J) and (N) in unincorporated areas of the County. Section 1.40.010 of Chapter 1.40, Article XV, of the Monterey County Code sets the schedule of fees and charges for the County of Monterey Treasurer-Tax Collector. Government Code 54985 specifies that amendments to this article require Board of Supervisors approval.

DISCUSSION:

With the of the amendment of MCC 7.02.060 to include Sections (B) and (C) establishing a business license requirement for all Hotels, Commercial Vacation Rentals, Homestays and Limited Vacation Rentals, the Treasurer-Tax Collector is seeking Board approval to amend the department’s fee schedule to add the clarifying language “Commercial Cannabis” before the established Business License Application Fee and Business License Renewal Fee pursuant to MCC Section 7.02.060(A). Additionally, the Treasurer-Tax Collector seeks to establish business license fees for Hotels, Commercial Vacation Rentals, Limited Vacation Rentals, and Homestays for the newly adopted Sections 7.02.060 (B) & (C). The new fees, listed below, provide cost recovery for work related to the issuance and annual renewal of the new business licenses established by the Board of Supervisors.

Description

Fee

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|--|-----------------|
| <i>Hotel Business License Application</i> | <i>\$160.00</i> |
| <i>Commercial Vacation Rental Business License Application</i> | <i>\$203.00</i> |
| <i>Limited Vacation Rental Business License Application</i> | <i>\$203.00</i> |
| <i>Homestay Business License Application</i> | <i>\$203.00</i> |

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|---|----------|
| <i>Hotel Business License Annual Renewal</i> | \$ 72.00 |
| <i>Commercial Vacation Rental Business License Annual Renewal</i> | \$115.00 |
| <i>Limited Vacation Rental Business License Annual Renewal</i> | \$115.00 |
| <i>Homestay Business License Annual Renewal</i> | \$115.00 |

The application and renewal fee for a Hotel operator requires less staff time to review and complete the application process providing for a lower business license fee than that of the other vacation rental categories, which involve a higher level of staff time and resources. In addition, the Commercial Vacation Rental, Limited Vacation Rental and Homestay business licenses fees include a proportionate share of cost recovery for a third-party rental compliance monitoring service contracted by the Treasurer-Tax Collector. This service provides analytics, compliance monitoring and auditing data to aid in maximizing the recovery of transient occupancy taxes owed to the County.

Upon approval by the Board of Supervisors, related fees will be effective November 8, 2024. Requirements for Hotels, Commercial Vacation Rentals, Limited Vacation Rentals and Homestays under provisions of Chapter 7.02 become operative on October 14, 2024.

Attachment A reflects the Treasurer-Tax Collector’s existing Fee Schedule, with the requested new fees and clarified fees identified in red bold italics.

OTHER AGENCY INVOLVEMENT:

County Counsel concurs with the recommended action.

FINANCING:

There is no negative impact to the General Fund for this action. Recommended new fees will assist with recovering, but not exceeding, Treasurer-Tax Collector costs for new service requirements, pursuant to California Government Code Section 54985. Resulting increased annual revenue to offset Treasurer-Tax Collector costs for new business license functions has not yet been determined, pending receipt of applications from specified business operators. Increases in current year revenue collected are assumed to be minimal and would reduce the department’s use of budgeted general fund contribution.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the Administration initiative through transparent and efficient resource management that will assist with achieving a balanced annual budget sustaining core services.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

Attachment A - Proposed Article XV (redline version)

Attachment B - Proposed Article XV (clean version)

Attachment C - Proposed Resolution