

Communication from Public

Name: Laura Lee Blake

Date Submitted: 01/20/2026 03:23 PM

Council File No: 25-0029

Comments for Public Posting: January 20, 2026 Re: Strong Opposition to Proposed 20 percent Increase to the Transient Occupancy Tax Dear Mayor Bass and Members of the Los Angeles City Council, We are writing this letter on behalf of the Asian American Hotel Owners Association (AAHOA), the largest hotel owners association in the United States. Our nearly 20,000 members own 60 percent of the nation's hotels, including 1,167 family-owned properties in the Los Angeles metropolitan area. AAHOA appreciates the City's fiscal challenges and the responsibility you carry to fund essential services. However, we are here today to express serious concern with the proposed 20 percent increase to the Transient Occupancy Tax. This proposal creates a cost spiral. As fees stack up, Los Angeles risks becoming the most expensive option in a competitive market. Higher room rates are inevitable, and visitors and conventions will choose nearby locations with lower overall costs. When costs spiral, business migrates. Hotels cannot simply absorb these costs, nor can they pass them on without consequence. Higher room taxes directly affect demand, placing Los Angeles at a competitive disadvantage compared to other major destinations. Reduced occupancy ultimately means fewer jobs, less economic activity, and lower long-term tax revenue for the City. Indeed, this proposal does not exist in isolation. Los Angeles hotels are simultaneously confronting the implementation of a \$30 minimum wage by 2028, one of the highest minimum wage levels in the country. Labor already represents the single largest operating cost for hotels. When combined with a substantial increase in lodging taxes, the impact becomes unsustainable, particularly for economy and limited service hotels that operate on narrow margins. AAHOA members want to be partner with the City of Los Angeles. Our industry has helped power tourism, job creation, and economic recovery. But repeatedly turning to hotels as a revenue solution risks undermining one of the City's most dependable economic engines. We respectfully urge the Council to evaluate the combined effects of the proposed TOT increase and the \$30 minimum wage, and engage with industry stakeholders to identify more balanced, sustainable solutions. Laura Lee Blake President & CEO



January 20, 2026

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Dear Mayor Bass and Members of the Los Angeles City Council,

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AAHOA appreciates the City's fiscal challenges and the responsibility you carry to fund essential services. However, we are here today to express serious concern with the proposed 20 percent increase to the Transient Occupancy Tax.

This proposal creates a cost spiral. As fees stack up, Los Angeles risks becoming the most expensive option in a competitive market. Higher room rates are inevitable, and visitors and conventions will choose nearby locations with lower overall costs. **When costs spiral, business migrates.**

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We respectfully urge the Council to evaluate the combined effects of the proposed TOT increase and the \$30 minimum wage, and engage with industry stakeholders to identify more balanced, sustainable solutions.

Sincerely,

Laura Lee Blake
President & CEO

