



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0087
FEB 05 2026

REPORT RE:

**DRAFT BALLOT MEASURE TO APPLY TRANSIENT OCCUPANCY TAX TO ONLINE
TRAVEL COMPANIES; AND DRAFT BALLOT RESOLUTION AND ELECTION
ORDINANCE PLACING THE BALLOT MEASURE
ON THE JUNE 2, 2026 BALLOT**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 26-1100-S2

Honorable Members:

On January 27, 2026, the City Council requested this Office to prepare the documents necessary for a ballot measure to apply the City's Transient Occupancy Tax (TOT) to online travel companies and platforms. This Office hereby transmits the draft ballot resolution and election ordinance necessary to place the measure on the ballot at the City's Primary Nominating Election to be held on June 2, 2026. We have approved the draft ballot resolution and election ordinance as to form and legality.

Summary of the Measure's Provisions

The measure would subject all charges and fees owed for the occupancy of a hotel to the City's TOT, including charges and fees of online travel agencies, companies, and platforms and other similar intermediaries. The measure also restates and affirms the collection requirements on all operators of a hotel, including additional reporting requirements with respect to online platforms and other intermediaries.

The ballot measure includes a provision stating that the measure is, and is intended to be, complementary to and not in conflict with the other TOT measure the City Council is considering placing on the same ballot (i.e., the measure increasing the TOT tax rate). The provision states that if both measures receive majority voter approval, then all of the provisions of both measures shall be enacted and valid.

The City Administrative Officer has estimated that the amount of tax revenue anticipated to be collected as a result of the measure is approximately \$5 million per fiscal year. The tax revenue collected will be deposited into the City's general fund, similar to all other tax revenue collected from the City's gross receipts tax regime.

Voter Approval and Election Requirements

The ballot measure proposes a general tax and therefore must be approved by a majority of the voters of the City of Los Angeles to be adopted. (Cal. Const., Art. XIII C, Section 2(b).)

City Election Code Section 601 requires that a final resolution to place a measure on the ballot must be adopted no less than 110 days before the election. For the June 2, 2026 Election, the deadline for the City Council to adopt the resolution containing the final language of the ballot measure is February 11, 2026.

CEQA

Pursuant to California Environmental Quality Act (CEQA) Guidelines, Section 15378(b)(3), the adoption of the ballot resolution and election ordinance for this measure does not constitute a "project" for purposes of complying with CEQA, and therefore, no further CEQA analysis or findings are necessary to approve the ballot resolution and election ordinance. If this measure is adopted, staff should also be directed to file a notice of exemption with the County Clerk pursuant to Public Resources Code Section 21152(b).

Rule 38 Referral

A copy of the draft ballot measure has been presented to the Office of the City Administrative Officer, the Chief Legislative Assistant, and the Office of Finance pursuant to Council Rule 38, with a request that all comments, if any, be presented directly to the City Council when it considers this matter.

If you have any questions regarding this matter, please contact Assistant City Attorney Charles Hong at (213) 978-7700 or Assistant City Attorney Harit Trivedi at (213) 978-7100. A member of this Office will be available when you consider this matter and answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



MICHAEL J. DUNDAS
Chief Assistant City Attorney

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