

**RESOLUTION OF THE LOS ANGELES CITY COUNCIL
SUBMITTING A BALLOT MEASURE TO THE VOTERS OF THE CITY OF
LOS ANGELES AND REQUESTING THE LOS ANGELES COUNTY BOARD OF
SUPERVISORS TO CONSOLIDATE THE ELECTION FOR THE BALLOT MEASURE
WITH THE STATE PRIMARY ELECTION TO BE HELD ON JUNE 2, 2026**

WHEREAS, the City Council wishes to submit the attached ballot measure to the qualified voters of the City of Los Angeles;

WHEREAS, the City Council has taken action pursuant to the City Charter and City Election Code to call an election for the ballot measure to be held together with the City's Primary Nominating Election on June 2, 2026; and

WHEREAS, the City Council wishes to request that the Board of Supervisors of the County of Los Angeles consolidate the City's election for the ballot measure with the State Primary Election also to be held on June 2, 2026.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The ballot measure attached to this Resolution shall be submitted to the qualified voters of the City of Los Angeles at an election consolidated with the City's Primary Nominating Election and the State Primary Election held on June 2, 2026.

Sec. 2. The vote requirement for the ballot measure to pass is a majority of the votes cast.

Sec. 3. The ballot title and question for the ballot measure shall be as follows and shall include a letter designation as determined by the City Council in accordance with applicable City and State law:

**FUNDING FOR CITY SERVICES THROUGH MODIFICATIONS TO THE
TRANSIENT OCCUPANCY TAX. PROPOSITION ____.**

Shall an ordinance be adopted to fund general City services, such as street/sidewalk repairs, 911 emergency response, fire protection, and parks, by: increasing the transient occupancy tax, currently 14% paid by hotel and lodging guests, to 16% through 2028 and then 15% thereafter; and requiring online and other travel companies to collect and remit the tax; generating approximately \$22-44 million annually until ended by voters?

Sec. 4. The City Clerk is hereby authorized to make technical and formatting adjustments to the attached ballot measure to facilitate presentation in ballot materials.

Sec. 5. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure and specifying the date of the election for the

ballot measure. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles.

Sec. 6. The City Clerk is hereby authorized and directed to publish once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed ballot measure may be obtained upon request in the City Clerk's office. The City Clerk is directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the voter information pamphlets and to distribute them to persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the voter information pamphlets to the qualified voters of the City of Los Angeles.

Sec. 7. The City Council respectfully requests the Board of Supervisors of the County of Los Angeles to order the consolidation of the City's election for the ballot measure with the State Primary Election to be held on June 2, 2026, and to canvass the returns of the election and transmit the certified election results to the City.

Sec. 8. The City Clerk shall administer the filing, printing, and distribution of all items contained in the City's Voter Information Pamphlet as provided in the City Election Code, including impartial summaries, ballot arguments, and rebuttal arguments regarding the ballot measure. In other particulars, the above-described election shall be held and conducted as provided by law for the holding of elections consolidated with the State Primary Election.

Sec. 9. The City Council requests the Board of Supervisors to fix the costs to be paid by the City of Los Angeles for consolidation of the City's election with the State Primary Election. The City will reimburse the County for the City's share of the costs incurred in conducting the City's election consistent with the cost estimate provided by the Registrar-Recorder/County Clerk and agreed to between the County and the City.

Sec. 10. The City Clerk shall file a duly certified copy of this Resolution with the Board of Supervisors and County Registrar-Recorder/County Clerk.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on February 10, 2026.

PATRICE Y. LATTIMORE, City Clerk

By Mania Tij
Deputy



TEXT OF THE PROPOSED BALLOT MEASURE

ORDINANCE NO. _____

An ordinance amending portions of Article 1.7 of Chapter II of the Los Angeles Municipal Code to increase the City of Los Angeles Transient Occupancy Tax to 16% through 2028 and 15% thereafter, and to require online travel agencies, companies, and platforms to collect and remit the tax on all charges and fees imposed for a hotel room. (Changes to the language of the Municipal Code are shown in underline type for added language and ~~strikeout~~ type for deleted language.)

WHEREAS, the Los Angeles Municipal Code establishes the City’s Transient Occupancy Tax (TOT), which is a tax paid by a person who occupies a room or space in a hotel as defined in the TOT ordinance;

WHEREAS, the tax rate contained in the City’s current TOT is 14% of the room charge;

WHEREAS, other nearby cities impose a higher TOT rate than the City of Los Angeles;

WHEREAS, the City Administrative Officer (CAO) has issued reports identifying the need for the City to strengthen the City’s fiscal stability and preserve core services, including street and sidewalk repair, emergency response services, fire protection, parks and park programming, and other general City services (See Council File No. 25-0029);

WHEREAS, the City anticipates an influx of visitors from outside the Los Angeles area will visit the City for the 2027 Super Bowl and the 2028 Olympic and Paralympic Games that will increase the demand for City services and burden City infrastructure;

WHEREAS, this measure, if approved by the voters, would temporarily increase the City’s current TOT rate by 2% through 2028 to generate revenue from the region’s tourism economy, which is expected to be augmented by the influx of visitors anticipated for the 2027 Super Bowl and the 2028 Olympic and Paralympic Games, and, thereafter, increase the current TOT rate by 1% to provide an additional source of revenue to augment the City’s general operating budget to provide needed services of the City;

WHEREAS, the Office of Finance has issued reports analyzing the TOT collection deficiency that arises when hotel rooms are booked through online travel companies (See Council File Nos. 23-0318 and 24-1456);

WHEREAS, as analyzed in the Office of Finance reports, the business model used by online travel companies, in which the online travel company negotiates a

discounted or wholesale rate for hotel rooms but then charges the customer a higher amount for the right to occupy the room, results in room-related charges that are outside the scope of the current TOT;

WHEREAS, the CAO has issued a report noting the fiscal benefits to the City’s general operating budget in addressing this TOT collection gap arising from the monetary difference between wholesale or discounted rates paid by online travel companies and the amount paid by hotel guests who pay for hotel rooms through an online travel company; and

WHEREAS, this ballot measure, if approved by the voters, would update the City’s existing TOT ordinance to address the collection deficiency arising from the business activity of online travel companies.

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The first paragraph of Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

Except where the context otherwise requires, the definitions given in this section govern the construction of this article. The definitions are intended to be broadly construed in favor of the imposition, collection, and remittance of the tax under this article.

Sec. 2. Subsection (e) of Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

(e) Rent. “Rent” means the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever, and includes, but is not limited to, the following: ~~Nothing in this definition shall be construed to mean that rent is charged directly or indirectly for the occupancy of space in a hotel when that space is provided to the occupant as a compliment from the operator and no consideration is charged to or received from any other person~~

- 1. discount room charges and facilitation fees;
- 2. transaction fees, service fees, booking fees, processing fees, retail markups, commissions, cancellation and attrition fees, and California Tourism Marketing Assessments;

3. unrefunded advance reservation and other rental deposits;
4. charges levied for items or services including, but not limited to charges for furniture, fixtures, appliances, linens, towels, non-coin-operated safes; spa or fitness center usage or access; resort usage or access (commonly referred to as resort or destination fees); internet, television, and phone access or usage; housekeeping or room cleaning; pet occupancy, pet fees, or pet-related cleaning; additional guests/transients; and/or partial days, or early or late arrival or departure;
5. consideration or value received by an operator from an award or reward program, including the redemption of award or reward points, incentives, or bonuses; and
6. any other charge reasonably attributable to rent that is part of a travel package.

Nothing in this definition shall be construed to mean that rent is charged directly or indirectly for the occupancy of space in a hotel when that space is provided to the occupant as a compliment from the operator and no consideration is charged to or received from any other person.

Sec. 3. Subsection (f) of Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

(f) Operator. "Operator" means any person who is a principal operator or a secondary operator. ~~the person who is either the proprietor of the hotel or any other person who has the right to rent rooms within the hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee or any other capacity. The owner or proprietor who is primarily responsible for operation of the hotel shall be deemed to be the principal operator. If the principal operator performs or assigns its functions, in whole or in part, through a managing agent, a booking agent, a room seller or room reseller, or any other agent or contractee, including but not limited to Hosting Platforms as defined in 12.03 of this Code, on-line room sellers, on-line room resellers, and on-line travel agents, of any type or character other than an employee, those persons shall be deemed to be secondary operators.~~

~~A secondary operator shall be deemed an operator for purposes of this article and shall have the same duties and liabilities as the principal operator, including, but not limited to, the collection and remittance of the full amount of the tax owed under the provisions of this article to the City. A secondary operator may satisfy its obligations under the provisions of this article by submitting the full~~

~~amount of tax due under this article, with credit for any taxes remitted to any other operator, either directly to the Director of Finance or through the principal operator.~~

~~—Compliance with the provisions of this article by either the principal operator or the secondary operator shall be deemed compliance by both and no provision of this article shall be deemed to require the payment and/or remittance of any amount other than the full amount of the tax owed by the transient.~~

Sec. 4. New Subsections (g) through (n) are added to Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code to read as follows:

(g) Facilitation Fee. "Facilitation Fee" means the amount by which the posted room charge exceeds the discount room charge, if any.

(h) Intermediary. "Intermediary" means any person that directly or indirectly (i) facilitates the occupancy in a hotel, and (ii) charges, collects, or receives rent in connection with such occupancy, which may include, without limitation, a facilitation fee. Intermediary includes, without limitation, a travel or booking agent, Hosting Platform as defined under Section 12.22 A.32 of this Code, a room seller or reseller, an online room seller or reseller, and an online travel agent or company of any type or nature whatsoever.

(i) Facilitates the occupancy in a hotel. "Facilitates the occupancy in a hotel" means brokering, coordinating, or in any other way arranging for the purchase of, the sale for, or right to, occupancy in a hotel by the (customer) general public.

(j) Discount Room Charge. "Discount room charge" means the total amount charged by the operator to the secondary operator for occupancy in a hotel for rent.

(k) Posted Room Charge. "Posted Room Charge" means the total consideration charged by an intermediary to a transient, including any fee or charge imposed in connection with the sale before taxes.

(l) Travel Package. "Travel Package" means an accommodation bundled with one or more separate components such as air transportation, car rental, or similar items and charged for a single retail price.

(m) Secondary Operator. "Secondary Operator" means any person that is a managing agent, a booking agent, a room seller or room reseller, broker, intermediary, or any other agent or contractee, including but not limited to a Hosting Platform as defined in Section 12.22 A.32 of this Code, online room seller, online room reseller, and online travel agent, of any type or character to

whom a principal operator assigns any of its functions, in whole or in part, other than an employee.

(n) Principal Operator. "Principal Operator" means any person who has the right to rent rooms within a hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee, or any other capacity and who is primarily responsible for the operation of the hotel.

Sec. 5. Section 21.7.3 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

SEC. 21.7.3. TAX IMPOSED.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax ~~in the amount of four percent (4%) of the rent charged by the operator on or after August 1, 1964, to and including October 31, 1967; and at the rate of five percent (5%) from that date to and including February 28, 1971; and at the rate of six percent (6%) from that date to and including June 30, 1978; and at the rate of seven and one-half percent (7.5%) from that date to and including June 30, 1983; and at the rate of ten percent (10%) from that date to and including December 31, 1985; and at the rate of eleven percent (11%) from that date to and including December 31, 1987; and at the rate of twelve percent (12%) from that date to and including August 31, 1990; and at the rate of twelve and one-half percent (12.5%) from that date to and including July 31, 1993; and at the rate of fourteen percent (14%) thereafter.~~ at the rate of sixteen percent (16%) of the rent charged by the operator for occupancy occurring on or before December 31, 2028; and at a rate of fifteen percent (15%) of the rent charged by the operator for occupancy occurring on or after January 1, 2029. Said tax constitutes a debt owed by the transient to the City which is extinguished by the payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, or if an amount paid is less than the full amount of rent and tax accrued at the time of payment, a proportionate share of the tax shall be deemed to have been paid with each such payment or installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax is not paid to the operator of the hotel, the Director of Finance may require that such tax shall be paid directly to the City.

Sec. 6. Section 21.7.5 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

SEC. 21.7.5. OPERATOR'S DUTIES.

Each operator shall collect the tax imposed by this article to the same extent and at the same time as the rent is collected from every transient. The

amount of tax shall be separately stated from the amount of the rent charged and each transient shall receive a receipt for payment from the operator. No operator ~~of a hotel~~ shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by ~~the~~ such operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner herein provided. A secondary operator may satisfy its obligations under the provisions of this article by submitting the full amount of tax due under this article, with credit for any taxes remitted to the relevant operator, either directly to the Director of Finance or through such other relevant operator. Compliance with the provisions of this article by either the principal operator or the secondary operator shall be deemed compliance by both with respect to the applicable tax obligation and no provision of this article shall be deemed to require the payment and/or remittance of any amount other than the full amount of the tax owed by the transient.

Sec. 7. The first paragraph of Section 21.7.7 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

~~Each~~ An operator shall, on or before the 25th day of each calendar month, make a statement to the Director of Finance of the total rents charged and received, and the amount of tax collected for transient occupancies during the preceding calendar month, including a statement of the amount of rent received from each secondary operator for such preceding calendar month, to the extent applicable. At the time the statement is filed, the full amount of the tax collected and tax not collected but required to be collected, shall be remitted to the Director of Finance. Except as provided in Sec. 21.7.8, an operator shall not be required to remit to the Director of Finance any amount of tax not collected and not required to be collected from a transient. All taxes collected and required to be collected by operators pursuant to this article shall be held in trust for the account of the City until payment thereof is made to the City. The full amount of tax due, whether collected or owed but not collected, under this Article shall be deemed a debt owed to the City by the operator and shall be discharged only upon payment to the City.

Sec. 8. Submission to voters. The ordinance herein shall be submitted to the voters of the City. If the ordinance is approved by a majority of the votes cast, the ordinance shall be enacted and the applicable sections set forth herein shall thereafter be considered part of the Los Angeles Municipal Code.

Sec. 9. Amendments. The Council may amend any provision of this ordinance, but any amendment that would result in a tax being imposed, extended or increased would require voter approval.

Sec. 10. Severability. If any section, subsection, clause, sentence, phrase, or application of this ordinance or any portion thereof is held unconstitutional or invalid by

any court or tribunal of competent jurisdiction, the remaining sections, subsections, clauses, sentences, phrases, portions, or applications of the ordinance shall remain in full force and effect, and to this end the provisions of this ordinance are severable. In addition, the voters declare that they would have passed all sections, subsections, clauses, sentences, phrases, portions and applications of this ordinance without the section, subsection, clause, sentence, phrase, portion or application held unconstitutional or invalid.

Sec. 11. This measure is intended by the City Council and the voters to be complementary and supplementary to the ballot measure related only to applying the Transient Occupancy Tax to online travel companies and platforms that has been submitted to the voters by the City Council to appear on the same ballot as this measure. In the event that both measures receive approval by a majority of the voters, the provisions of the measures shall be deemed complementary and supplementary to each other and not in conflict, and all of the provisions of both measures shall be enacted and valid.

M:\GENERAL COUNSEL DIVISION\ORDINANCES AND REPORTS\BALLOT MEASURES\FINALS\TOT Measure Rate Increase 1% (Option B) -- Text of Measure Attachment 26-1100-S3.docx