CITY OF EUREKA CALIFORNIA

AGENDA SUMMARY CITY COUNCIL

TITLE: Bill No. 1058 TOT Ordinance Update - Introduction

DEPARTMENT: City Attorney

PREPARED BY: Robert N. Black, City Attorney and
Gregory M. Holtz, Deputy City Attorney

PRESENTED FOR

☒Action ☐Information only ☐Discussion

RECOMMENDATION

Waive full reading, read by title only, and introduce an Ordinance amending Title 3, Chapter 35 of the Eureka Municipal Code, amending Sections 35.070 through 35.084, bringing into compliance the Transient Occupancy Tax Provision, and set the Ordinance for adoption at the next regular City Council meeting.

FISCAL IMPACT

☐No Fiscal Impact ☒Included in Budget ☐Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

Maximize all levels of housing stock within City limits; expand Economic Development. Engage and support sustainable local businesses through streamlined permitting, updated coastal zoning regulations, advocacy, and promotion and recruitment of diverse business ownership in an effort to build business resilience and community equity.

DISCUSSION

The proposed Ordinance amends Sections 35.070 through 35.084 of the Eureka Municipal Code to modernize and clarify the City's Transient Occupancy Tax (TOT) provisions.

The Transient Occupancy Tax is a critical revenue source that supports general governmental operations. The existing provisions have been reviewed and updated to reflect current administrative practices, evolving lodging models, and applicable state and federal legal standards.

Key updates included in the Ordinance are:

- Modernized Definitions: Clarifies key terms such as “operator,” “transient accommodation,” and “rent” to reflect contemporary lodging arrangements, including short-term rentals.
- Administrative Alignment: Incorporates consistency with the City’s recently adopted Administrative Hearing Procedures (Title I, Chapter 10), ensuring uniform due process and appeal procedures across the Municipal Code.
- Improved Compliance and Enforcement: Aligns former registration process with the requirement to obtain and post a business license, and aligns enforcement mechanisms with State law.
- Clarified Operator Responsibilities: Reinforces operator obligations to collect, report, and remit TOT, and to maintain records sufficient for audit and enforcement purposes.

Additionally, the Ordinance strengthens the City’s ability to enforce TOT obligations through civil actions, administrative remedies, and nuisance abatement where appropriate, while preserving due process protections.

Overall, these amendments are intended to ensure that the City’s Transient Occupancy Tax framework remains clear, enforceable, and aligned with modern lodging practices, thereby protecting an important municipal revenue source and promoting fairness among operators.