

If a majority of the voters voting in the November 8, 2022 election on this measure vote in favor of the adoption of this measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council and shall go into effect ten (10) days after that date.

EXHIBIT A

ORDINANCE NO. 651-AC

AN ORDINANCE OF THE CITY OF NEEDLES TO INCLUDE IN THE CITY'S TRANSIENT OCCUPANCY TAX, SHORT TERM RESIDENTIAL UNITS, AND AMENDING SECTIONS 20-8, 20-8.2(C) AND 20-8.2(E) OF THE NEEDLES MUNICIPAL CODE

THE PEOPLE OF THE CITY OF NEEDLES DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals.

A. The purpose of this Ordinance is to apply the City's existing transient occupancy tax to operators of short term residential properties and rental units.

B. The current transient occupancy tax is applied to and collected from operators of local hotels, motels and similar lodgings. The transient occupancy tax is not currently applied to or collected from operators of short term residential properties and rental units.

C. The transient occupancy tax is paid only by guests who stay in local hotels and other lodgings so that out-of-town visitors pay their fair share of their use of City roads, parks, the beach, public safety and other City services

D. The revenues from the transient occupancy tax remain in the City, are controlled by the City, and are used for unrestricted general municipal purposes such as public safety, infrastructure, street repair and park improvements. Transient occupancy tax revenues cannot be taken by San Bernadino County or the State of California.

D. By including short term residential rental units in the transient occupancy tax, it is estimated the City will raise approximately \$84,300 annually, which will be used for general city services, including protecting residents' quality of life and property values and continue to provide excellent services.

SECTION 2. Code Amendment. The Needles Municipal Code is amended as follows:

Section 20-8 of the Needles Municipal Code is amended to read:

Tax levied. Every operator of a hotel, motel, apartment hotel, apartment motel, trailer court, recreational vehicle park, short term residential rental unit and/or property, or any other commercial establishment furnishing lodging space in exchange for monetary compensation, located within the city, shall pay a transient occupancy tax of ten percent which shall be based on the operator's gross monthly receipts received from transient lodgers.

Section 20-8.2(c) of the Needles Municipal Code is amended to read:

"Operator" shall mean the person who is an owner and/or proprietor of a hotel, motel, apartment hotel, apartment motel, trailer court, recreational vehicle park, short term residential rental unit and/or property, or any other commercial establishment furnishing lodging space in exchange for monetary compensation within the city. If an operator utilizes a managing agent who is not an employee, then such agent shall also constitute an "operator" for the purposes of this Article. Compliance with this Article by either the principal or the managing agent shall constitute compliance by both.

Section 20-8.2(e) of the Needles Municipal Code is amended to read:

"Lodging space" shall mean (i) one or more rooms used or intended to be used for dwelling or sleeping purposes, (ii) land in a trailer court or recreational vehicle park used or intended to be used for the parking of a trailer, recreational vehicle or other type vehicle used or intended to be for dwelling or sleeping purposes, and or a short term residential rental unit as defined in section 12-68.3.030, as may be amended from time to time.

SECTION 3. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the City of Needles hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

Section 4. Environmental Compliance. The City Council hereby finds and determines that this resolution or ordinance is exempt from the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. ("CEQA") and 14 Cal. Code Re. Sections 15000 et seq. ("CEQA Guidelines"). The calling and noticing of an election for the submission of a ballot measure to voters is not a project within the meaning of CEQA Guidelines 15378. The tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Needles would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

Section 5. Effective date. Pursuant to the California Constitution, Article XIIC(2)(b) and California Elections Code § 9217, if a majority of the voters voting in the election on this measure vote in favor of the adoption of this measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council and shall go into effect ten (10) days after that date.

Section 5. The City Clerk shall certify to the adoption of this ordinance and cause it, or a summary of it, to be published once in a newspaper of general circulation printed and published within the City of Needles, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code Section 36933.

NOW, THEREFORE, BE IT ORDAINED that the City Council of the City of Needles, California, approve an amendment to the City Code.

INTRODUCED AND READ for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 14th day of June, 2022 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jeff Williams, Mayor

ATTEST:

Dale Jones, City Clerk

APPROVED AS TO FORM:

John O. Pinkney, City Attorney

FULL TEXT FOR MEASURE NEEDLES

AN ORDINANCE OF THE CITY OF NEEDLES TO INCLUDE IN THE CITY'S TRANSIENT OCCUPANCY TAX, SHORT TERM RESIDENTIAL UNITS, AND AMENDING SECTIONS 20-8, 20-8.2(c) and 20-8.2(e) OF THE NEEDLES MUNICIPAL CODE

The People of the City of Needles do hereby ordain as follows:

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PROOF

Dale Jones
APPROVED BY

8-4-2022
DATE

ARGUMENT IN FAVOR OF MEASURE NEEDLES

*This Argument in Favor of Measure **Needles** was submitted pursuant to Section 9282 of the California Elections Code. It is the opinion of the author(s), and has been printed exactly as submitted.*

Overnight visitors require City services such as public safety and parks and impact street wear. In 1959 and 1985 the voters approved a 10% Transient Occupancy Tax charged to the bills of guests staying at hotels, motels, apartment hotels/motels, RV parks and any other commercial lodging to pay their fair share of services and facilities. This tax is paid by out of towners, not Needles residents or businesses. These taxes are common in nearly every community across the country.

Recently overnight visitors have had the option of using Short Term Rentals. Instead of staying in a hotel, they rent a private residence. 133 such rentals operate in the City. These tax revenues paid by out of towners will remain in the City, controlled by the City, for use by general municipal purposes of public safety, street repair and park maintenance. These tax revenues cannot be taken by San Bernadino County or the State. Including short term residential rental units in the tax, the City will raise approximately \$84,300 annually to pay their fair share costs of maintenance and repair.

Short term Rental guest have the same impact on City services and facilities as hotel guests and should pay their fair share of costs. They should not be able to stay in a residential neighborhood, and not pay because of a loophole in the existing law. It is unfair to the legitimate hoteliers.

s/ Ellen Campbell, Council Member

s/ Tona Belt, Council Member



**MEASURE XXXX
CITY OF NEEDLES**

IMPARTIAL ANALYSIS OF MEASURE NEEDLES

This Impartial Analysis of Measure Needles has been prepared by the City Attorney pursuant to Section 9280 of the California Elections Code.

**IMPARTIAL ANALYSIS OF MEASURE TO INCLUDE SHORT TERM RESIDENTIAL UNITS IN
THE CITY'S TRANSIENT OCCUPANCY TAX**

BACKGROUND: The City of Needles ("City") currently charges a 10% tax on stays in hotels and motels, but does not charge this tax for short term rentals in residential areas. The City's current 10% transient occupancy tax is collected from hotel and motel guests and is a general tax which can be spent on any lawful purpose of the City, including public safety, street maintenance, parks and recreation, and other services.

MEASURE: This measure was placed on the ballot by the Needles City Council. If approved, the transient occupancy tax would be expanded to apply to short-term residential rental units. A short term residential unit is defined as "any residential property or portion of a residential property that is rented to an individual or group for 30 consecutive days or less." If this measure passes, the City estimates \$84,300 of additional annual revenue will be generated for the City's general fund.

A "Yes" vote expands the application of the existing transient occupancy tax to short term residential rental units, effective as of January 1, 2023.

A "No" vote rejects the application of the current transient occupancy tax to short term residential rental units.

The above statement is an impartial analysis of the measure. If you desire a copy of Ordinance 651-AC or the measure, please call the office of the election official/City Clerk at (760) 326-2113 and a copy will be provided at no cost to you.

/s/ John O. Pinkney
City Attorney

STATEMENT OF AUTHOR

The undersigned author of the impartial analysis of Ballot Measure to Include Short Term Residential Units in the City's Transient Occupancy Tax at the election in the City of Needles, California, to be held on November 8, 2022, hereby states that such analysis is true and correct to the best of his knowledge and belief.

Author: John O. Pinkney, Esq. Date: July 18, 2022
Title: City Attorney, City of Needles, CA
Address: 1800 E. Tahquitz Canyon Way, Palm Springs, CA 92262
Signature: /s/ John O. Pinkney Phone No.: 760-322-2275

