

2 tax measures before SLT voters in Nov.

By Kathryn Reed

South Lake Tahoe voters in November will decide if the hotel and sales taxes should be increased.

The City Council on May 17 agreed to go forward with the ballot measures. What to spend the added revenue on remains to be decided.

The current transient occupancy tax is 10 percent throughout much of South Lake Tahoe, 12 percent in the redevelopment area. The former goes into the city's General Fund, the latter mostly to pay off the bond debt. The Tourism Improvement District, which was formed in 2006, tacks on another \$3.50 or \$4 per night. TID uses that money for marketing.

The city briefly raised the hotel tax via Measure Z in November 2002. This added \$1 to every hotel room. It was in place from Feb. 1, 2004, to Oct. 31, 2006. It brought in about \$1.1 million a year.

Raising the current TOT by 2 percent is projected to generate \$2 million annually.



Privacy is lacking at the South Lake Tahoe Recreation Center. Photo/LTN file

The plan is to have the money go toward recreation. It will require a two-thirds majority to pass this tax because the money is earmarked for something in particular.

Defining recreation, though, is what could be a hiccup in the process. Two members of the South Lake Tahoe Lodging Association spoke Tuesday, saying they want the ballot language to dictate a state-of-the-art recreation complex will be built. A member of the public who could not stay for the whole meeting earlier that day told *Lake Tahoe News* she wants bike trails to be the priority.

The ballot language is bound to be broad. The resolution supporting it can get into more details.

The city also sees renovations to Regan Beach being part of the bigger recreation improvement picture.

As for the sales tax, the plan is to ask voters to raise it by one-half percent, with the hope it will generate \$2.5 million annually. This would make it 8.5 percent.

Raising the sales tax was already done once. It went from 7.25 percent to 7.75 percent after voters gave the go-ahead in

November 2004. All of this "extra" revenue goes right to South Lake Tahoe, whereas the bulk goes to the state.

What the council could not decide on is whether to go for a 50 percent, plus one vote where the money raised goes to the General Fund, or have it dedicated to something like roads, which requires a 66 percent vote. The five discussed the merits of requiring the lesser vote total and putting an advisory vote with it asking people to choose among two or three areas of where to spend the money. Most likely roads, facilities and housing would be the options. Those priorities came out of a survey the city did earlier this year.

However, the city would not be obligated to follow the wishes of voters. To better ensure the electeds comply with voters' wishes, the idea was floated of passing a resolution stating that to deviate from the voters' desires would take a 5-0 vote of the council.

Everything regarding the sales tax will be back before the council on June 7. To qualify for the Nov. 8 ballot, the council must have the resolution done by June 21.

The council is confident about asking voters to approve both tax measures because the survey showed only 5 percent of respondents saying no to any tax, with 8 percent undecided. Forty-five percent said they would support both taxes.

Recreation and roads are the two main areas on which people want money to be spent, according to survey results.

While an amusement tax had been bandied about, the dismal survey results removed that from the discussion.

The council members admitted they have their work cut out to convince voters to say yes to both taxes even though it will be tourists who are most impacted.