ARGUMENT AGAINST

CITY OF LONG BEACH TRANSIENT OCCUPANCY (HOTEL BED TAX) MEASURE

Tourism is the goose that lays the golden egg. It is now Long Beach's second largest industry, giving us 20,000 jobs in 2018 and yielding lots of money for City Hall. Besides hotels and motels, since April 2019 Long Beach has been taxing Airbnb too. In just six months, home stays yielded about $1.3 million and estimates are that, once short-term rentals are regulated, annually Airbnb alone will provide the city $3 million extra revenue.

The proposed increase puts at risk all these jobs and revenues. At 12%, Long Beach's current bed tax already is high compared to other California coastal cities. Huntington Beach, Newport Beach, and other Orange County tourist destinations have a 10% tax. **A higher bed tax puts Long Beach at a competitive disadvantage just when we are striving to increase tourism**.

Yet City Hall now wants 1% more - and with no clear and dedicated beneficiary.

The 12% bed tax revenue now gets split 6% to the General Fund and 6% to the Special Advertising and Promotion Fund -- mainly for the Convention & Visitors Bureau. The proposed extra 1% would go directly to the General Fund with **no legal guarantee of how that new revenue would be spent**.

Although local PR spin and ballot wording hint that the 1% increase will help the arts and the convention center, there is in fact **no specific purpose or program which the extra money is legally guaranteed to benefit**.

Just say no! A 1% bump in the hotel bed tax risks losing golden eggs and may even kill the goose. **It is a City Hall cash grab that will hurt tourism, hotels and home hosts.**