

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 8/27/2013	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of a report of the Annual Fiscal and Compliance Review of establishments subject to the County Transient Occupancy Tax Ordinance and San Luis Obispo County Tourism Business Improvement District assessment for calendar year 2012.			
(5) RECOMMENDED ACTION It is recommended that the Board receive the item and file.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>05/7/2013</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor-Controller-Treasurer-Tax Collector

DATE: 8/27/2013

SUBJECT: Submittal of a report of the Annual Fiscal and Compliance Review of establishments subject to the County Transient Occupancy Tax Ordinance and San Luis Obispo County Tourism Business Improvement District assessment for calendar year 2012.

## **RECOMMENDATION**

It is recommended that the Board receive the item and file.

## **DISCUSSION**

Section 7280 of the California Revenue and Taxation Code authorizes the County to levy a Transient Occupancy Tax (TOT) on transients lodging in the unincorporated area for 30 days or less. The Property and Business Improvement District Law of 1994 authorizes the levy of assessments upon businesses that benefit from Business and Improvement Districts. The County ordinance providing for the establishment of the San Luis Obispo County Tourism Business Improvement District (SLOCTBID) and the assessment of a fee for all lodging establishments within the boundaries of the district became effective July 1, 2009. The purpose of the assessment is to promote tourism within the district. The ordinance is subject to an annual review, and the funds collected are distributed on behalf of the SLOCTBID Steering Committee.

Currently the County collects a 9% TOT from 928 establishments throughout the unincorporated area and an additional 2% SLOCTBID assessment from 781 establishments located within the district.

The purpose of our review was to determine the accuracy of the TOT and SLOCTBID assessments remitted to the County and verify that the tax and assessments were calculated in accordance with Chapters 3.08 and 3.09 of the San Luis Obispo County Code. In addition, we verified the existence and posting of registration certificates and business licenses.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Separate reports on each audited establishment were issued to the Acting Treasurer-Tax Collector as fieldwork was conducted and completed prior to the merger of the Auditor-Controller and Treasurer-Tax-Collector's offices on August 8, 2013. The Treasurer-Tax Collector is responsible for the administration of the TOT and SLOCTBID ordinances and the enforcement of all audit findings and recommendations.

## **FINANCIAL CONSIDERATIONS**

The County collected \$6,981,850.24 in TOT and \$453,382.92 in SLOCTBID assessments during calendar year 2012.

## **RESULTS**

We reviewed seventeen establishments. During the course of our review we identified \$3,786 in TOT, SLOCTBID, penalties, and interest due to the County. We have attached our report and Summary of Monetary Audit Findings with details by establishment. We also found the establishments to be generally in compliance with obtaining and posting the required certificates and licenses.

Annual fiscal and compliance reviews of TOT and SLOCTBID assessments are one of the tools used in cooperation with the Treasurer-Tax Collector to monitor receipts of tax and assessments in the unincorporated area. Annual tax and assessment monitoring activities help maintain reporting accountability and contribute to the County's vision of a prosperous and well governed community.

**ATTACHMENTS**

1. TOT Master Report CY 2012