



# Agenda Item

## Orange City Council

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Item #: 3.12.

6/23/2026

File #: 26-0377

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**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jarad Hildenbrand, City Manager

### 1. SUBJECT

Adoption of Resolution No. 11705 amending the submission to the qualified electors of the City a certain measure relating to expanding and increasing the City's transient occupancy tax

### 2. SUMMARY

On May 26, 2026, the City Council adopted Resolution Nos. 11690 and 11669, placing a transient occupancy tax measure on the November 3, 2026, General Municipal Election ballot. After adopting these resolutions, staff identified a minor administrative error that should be corrected before the transient occupancy tax measure is submitted to the County of Orange Registrar of Voters. Resolution No. 11705 corrects the administrative error and incorporates other minor changes.

### 3. RECOMMENDED ACTION

Adopt Resolution No. 11705. A Resolution of the City Council of the City of Orange amending the submission to the qualified electors of the City a certain measure relating to expanding and increasing the rate of the City's transient occupancy tax at the November 3, 2026, General Municipal Election as called by Resolution No. 11669 and Resolution No. 11690.

### 4. FISCAL IMPACT

None.

### 5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development Achieve Fiscal Sustainability

### 6. DISCUSSION AND BACKGROUND

On May 26, 2026, the City Council voted 6-1-0 to approve Resolution No. 11690 which submits to the voters a question regarding an increase and expansion of the City's existing transient occupancy tax (TOT).

In particular, the City Council voted to propose: 1) increasing the TOT rate from 10% to 14% for hotels with 11 rooms more; 2) applying the TOT to online and other travel companies; and 3) applying the TOT to the full rate charged for accommodations.

After adopting the necessary resolutions, staff identified a minor administrative error that requires correction. California Elections Code Section 13119 requires that ballot questions include the language, "*Shall the measure (stating nature thereof) be adopted*"

The ballot question originally approved by the City Council on May 26<sup>th</sup> stated the following:

*“City of Orange Hotel Tax Modification Measure*

*Shall the City of Orange’s existing Transient Occupancy Tax, a tax on persons occupying hotel rooms, be updated by increasing the tax rate from 10% to 14% for hotels with 11 or more rooms and applying the tax to online and other travel companies, generating approximately \$3,000,000 annually for general City purposes including police, fire and emergency response, parks, and street and infrastructure maintenance, until ended by voters?”*

To ensure Elections Code 13119 compliance while providing greater clarity on who assumes the tax liability, Resolution No. 11705 makes the following changes to the ballot question:

*“City of Orange Hotel Guest Tax Modification Measure*

*Shall the measure updating the City of Orange’s existing Transient Occupancy Tax, a tax on persons occupying hotel rooms, by updated by increasing the tax rate from 10% to 14% for hotels with 11 or more rooms and applying the tax to online and other travel companies, generating approximately \$3,000,000 annually for general City purposes including police, fire and emergency response, parks, and street and infrastructure maintenance, until ended by voters, be adopted?”*

Additionally, Ordinance No. 09-26 (Proposed) incorporates minor modifications, including authorizing the City Council to modify Orange Municipal Code Chapter 5.16 with the understanding that those changes would not increase the taxes imposed by Ordinance No. 09-26 (Proposed).

## **7. ATTACHMENTS**

- Resolution No. 11705