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CITY OF LA QUINTA  
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## IMPARTIAL ANALYSIS OF MEASURE “A”

### City of La Quinta

**Ballot Measure proposing to phase-out and permanently ban “non-hosted short-term vacation rentals,” as defined, in non-exempt areas of the City of La Quinta by December 31, 2024.**

Measure “A” (Measure) was placed on the ballot by initiative petition and submitted to the electorate of the City of La Quinta (City).

Existing Law: In 2012, the La Quinta City Council (Council) enacted short-term vacation rental (STVR) regulations. Since then, Council has amended the regulations multiple times over the years.

Current City law defines “short-term vacation rental unit” to mean a privately owned residential dwelling, such as a single-family detached or multi-family attached unit, rented for occupancy for 30 consecutive calendar days or less. City law requires every owner of a dwelling used as a STVR to obtain a STVR permit, which is valid for one year and must be renewed annually. STVR permits are not transferrable upon sale of the dwelling. Owners holding STVR permits must remit to the City “transient occupancy taxes” (TOT) in the amount of 10% of the amount charged or chargeable to the person(s) occupying the STVR. As a “general tax,” TOT revenue may be used to fund any and all City services, programs and projects.

Current City law bans the issuance of new permits for STVRs in non-exempt areas of the City, as defined, but allows renewals of permits annually if an owner of a dwelling had a valid STVR permit on or before August 4, 2020.

Proposed Changes: If the Measure is adopted, City law would be amended so that, by December 31, 2024, STVR permits would be prohibited, except in exempt areas of the City as specified in the Measure. If the Measure is adopted, new and renewal permits would be allowed only for residential dwellings where the owner ***lives on-site or in the dwelling throughout the rental occupant’s stay***, except in exempt areas as specified in the Measure.

Effect: STVRs are a significant share of the City’s economy. According to independent economic consultants, in 2021, STVR visitor spending generated \$170 million in business sales, \$21.1 million in personal income, 779 jobs, and \$9.7 million in local tax revenues (primarily TOT and sales tax).

If the Measure is adopted, the inventory of available STVRs in the City would be reduced from approximately 1,200 to 400 units. The reduction in non-exempt areas would be significantly greater than the number of new registrations in exempt areas.

If the Measure is adopted, lower visitor spending in the City would result. According to independent economic consultants, there would be, annually, \$100 million less in business sales, 445 fewer jobs, \$13 million less in personal income, and between \$6.1 and \$8 million less in local tax revenues (primarily loss of TOT and sales tax).

A “Yes” vote is in favor of adopting the Measure’s STVR phase-out and ban by December 31, 2024. A “No” vote is against the Measure’s STVR phase-out and ban by December 31, 2024. If a simple

majority of voters, voting on this Measure, vote "Yes," then this Measure will be approved and the implementing ordinance adopted.

Dated: August 22, 2022

By: William H. Ihrke  
William H. Ihrke, City Attorney

The above statement is an impartial analysis of Measure "A". If you desire a copy of the ordinance or Measure, please call the election official's office at (760) 777-7123 and a copy will be mailed at no cost to you.