

CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515

707.942.2800

August 18, 2009



SEP - 9 2009

Clerk of the Napa Superior Court
By: C. Baerman
Deputy

William Trautman
Napa County Grand Jury Foreperson
Napa County Grand Jury
PO Box 5397
Napa, CA 94581

Re: Response to the Napa County Grand Jury 2008/09 Final Report on Napa Valley Transient Occupancy Tax

Dear Mr. Trautman:

The City of Calistoga appreciates the work done by the Napa County Grand Jury regarding the collection of transient occupancy tax. We herein submit our responses to the Napa County Grand Jury 2008/09 Final Report on Napa Valley Transient Occupancy Tax recommendations 1, 2, 3, 4, 7, 8, and 9.

Recommendation 1:

Local government agencies provide an operator with a copy of the local ordinance/municipal code and all forms needed to file and remit TOT.

Response:

Calistoga provides all new TOT operators with a copy of the local ordinance/municipal code, along with all forms and corresponding instructions needed to file and remit TOT.

Recommendation 2:

Licensing departments alert local Finance Departments when issuing new licenses to TOT applicants indicating number of rooms for transient occupancy.

Response:

The City's Planning and Building Department alerts the Finance Department when issuing new licenses to TOT applicants indicating the number of rooms for transient occupancy. Once Finance is notified, a business license is issued.

Recommendation 3:

Local government agencies follow the municipal code/local ordinance in assessing penalties and interest.

Response:

Calistoga follows the municipal code/local ordinance in assessing penalties and interest. TOT operators that do not remit TOT are called and notified with letter. Penalties and interest are assessed on late or non payers.

Received
Napa Superior Court

SEP - 2 2009

Court Executive Office

Recommendation 4:

Tax administrator to notify City Council or BOS of all past TOT, interest and penalties considered for waiver.

Response:

Calistoga is not in the habit of waiving past TOT taxes, interest, or penalties due. Calistoga's municipal code provides flexibility for the Tax Administrator to make payment plan arrangements with operators that owe past TOT, interest and penalties.

Recommendation 7:

Internal audits or contingency audits should be conducted with regularity.

Response:

Calistoga most recently audited their TOT operators in 2008. The auditing of transient occupancy tax operators is very time consuming and thus, very expensive. It is anticipated that audits will be conducted on a regular basis in the future, as long as budgeted funds are available.

Recommendation 8:

Enforce the provision in the municipal code assessing the cost of auditing to an operator who does not have adequate records.

Response:

During the most recent TOT audit in 2008 some operators did not have adequate records for auditing. At that time, it was recommended to those operators that they keep adequate records into the future. In future audits operators that do not have adequate records will be assessed the cost of auditing.

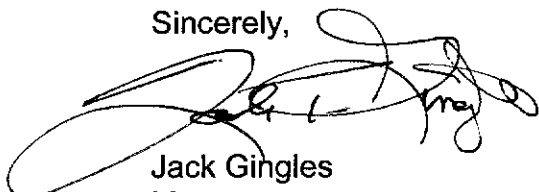
Recommendation 9:

Each local governmental agency improve its oversight and enforcement of the TOT.

Response:

In the past, when an operator continued to be delinquent, the Tax Administrator worked with the Police and Planning & Building Departments to pursue formal action in order to collect amounts due. That process will continue into the future. Calistoga will continue to evaluate and pursue opportunities to improve oversight and enforcement of the City's TOT ordinance.

Sincerely,



Jack Gingles
Mayor