



**Town of Mammoth Lakes**  
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February 15, 2012

Honorable Stan Eller  
Advising Judge to the Grand Jury  
Superior Court of California, Mono County  
P.O. Box 1037  
Mammoth Lakes, CA 93546

**RECEIVED**

FEB 23 2012

SUPERIOR COURT OF CA  
COUNTY OF MONO

**Re: Town of Mammoth Lakes Response to the 2010-2011 Grand Jury Report**

Dear Judge Eller:

The Town of Mammoth Lakes ("Town") recently became aware that the 2010-2011 Mono County Grand Jury ("Grand Jury") had released its final report. The report includes a short discussion of Complaint 10-02. According to the report, this complaint was initiated by a property owner who felt harassed by a Town employee. Specifically, the property owner alleged that an employee of the Town's Finance Department threatened the owner with arrest if the owner refused to comply with the Town's Tourist Operational Tax<sup>1</sup> [sic] ("TOT"). While the Grand Jury concluded that the owner's complaint lacked merit, the Town wishes to submit a formal response to the Grand Jury's Findings and Recommendations.

**FINDINGS**

**The Grand Jury concluded that the property owner's complaint was unfounded. Further, the staff member who the property owner complained about is no longer employed by the Town of Mammoth Lakes. Once notified of this, the complainant verbally withdrew the complaint.**

The Town agrees with this finding. The Town agrees that the property owner's complaint was clearly unfounded and that the former staff member is no longer a Town employee. However, the Town wishes to clarify that the failure to collect and remit TOT is subject to administrative, civil, and criminal penalties as set forth in Chapter 3.12 of the Mammoth Lakes Municipal Code and applicable state statutes. For example, general violations of Chapter 3.12 are punishable as infractions or misdemeanors. Moreover, in especially egregious cases, a property owner's willful failure to remit TOT to the Town could be prosecuted as embezzling public funds. (See Penal Code, § 424.)

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<sup>1</sup> The Town's tax on transient rentals is a "Transient Occupancy Tax." (See Mammoth Lakes Municipal Code, Ch. 3.12.)

While the Town has not traditionally utilized criminal enforcement methods, TOT underpayment is a very serious issue in our community. Given the importance of tourism to the Town economy, TOT is one of the Town's most important revenue sources and the Town Council and staff have an obligation to ensure that all owners and operators of transient rentals collect and remit TOT. This vital revenue source is necessary to ensure that the Town can continue to provide first-class municipal services to its residents and visitors.

## RECOMMENDATIONS

**The Grand Jury has no recommendations.**

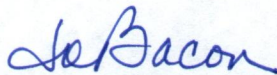
Response: No response is required.

Timing: Not applicable.

## CONCLUSION

The Town welcomes and appreciates the Grand Jury's interest in the Town's TOT enforcement program. The Town is confident that this letter effectively addresses any concerns raised in the 2010-2011 Mono County Grand Jury Report.

Very truly yours,



Jo Bacon, Mayor

Town of Mammoth Lakes

Cc: Members of the Mammoth Lakes Town Council  
Cindy S. Kitts, Foreperson