

**ORDINANCE NO. CS-381**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD,  
CALIFORNIA, AMENDING CARLSBAD MUNICIPAL CODE SECTION 3.37.050  
TO MODIFY THE ASSESSMENT FOR THE CARLSBAD TOURISM BUSINESS  
IMPROVEMENT DISTRICT

WHEREAS, the City of Carlsbad established the Carlsbad Tourism Business Improvement District (CTBID) in 2005 under the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code § 36500 et seq.); and

WHEREAS, the CTBID generates funds to administer marketing and visitor programs to promote the City of Carlsbad as a tourism visitor destination and to fund projects, programs, and activities, including appropriate administrative charges, that benefit hotels within the CTBID's boundaries; and

WHEREAS, an appointed advisory board (Board) makes recommendations on expenditures for the CTBID's programs and activities, makes recommendations for the CTBID's annual budget, and provides end-of-year financial report; and

WHEREAS, the CTBID assessment is currently a flat fee of \$1 per occupied room per night for all transient occupancies; and

WHEREAS, the assessment has not been modified since the CTBID was established; and

WHEREAS, on June 26, 2020, the Board sent the City Council a letter recommending the City Council modify the assessment to be 2% of gross short-term room rental revenue for all transient occupancies; and

WHEREAS, the additional assessment revenue will allow the CTBID to provide improved services and activities to assessed businesses; and

WHEREAS, on July 14, 2020, the City Council adopted a Resolution of Intention to modify the assessment as recommended; and

WHEREAS, the City Council conducted a public meeting on August 25, 2020 to receive public comments and testimony on the assessment modification; and

WHEREAS, the City Council conducted a public hearing on September 1, 2020 to hear and consider all protests against the assessment modification; and

WHEREAS, all affected businesses were notified of the Resolution of Intention and of the public meeting and public hearing dates; and

WHEREAS, the City Council did not receive written protests from affected business owners who will pay 50% or more of the modified assessment levies; and

WHEREAS, the City Council received, approved, and confirmed a modified FY 2020-21 annual report for the CTBID.

NOW, THEREFORE, the City Council of the City of Carlsbad, California, does ordain as follows:

1. The above recitations are true and correct.
2. As of Nov. 1, 2020, Carlsbad Municipal Code Section 3.37.050 is amended to read:

**3.37.050 Levy and collection of assessments.**

The CTBID will include all hotel businesses located within the CTBID boundaries. An assessment shall be levied on all hotel businesses, existing and future, within the City of Carlsbad of two percent (2%) of gross short-term room rental revenue for all transient occupancies as defined in Section 3.12.020 of the Carlsbad Municipal Code. The amount of the assessment shall be separately stated from the amount of the rent and other taxes charged, and each transient shall receive a receipt for payment from the operator. The assessment will be collected monthly, based on two percent (2%) of gross short-term room rental revenue for the previous month. New hotel businesses within the boundaries will not be exempt from the levy of assessment authorized by Section 36531. Assessments pursuant to the CTBID shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax. No assessment shall be imposed upon occupancies of any federal or State of California officer or employee when on official business nor on occupancies of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

EFFECTIVE DATE: This ordinance shall be effective 30 days from the date of its adoption; and the City Clerk shall certify the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption.

INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the 25th day of August, 2020, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 1st day of September, 2020, by the following vote, to wit:

AYES: Hall, Blackburn, Bhat-Patel, Schumacher.

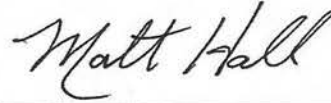
NAYS: None.

ABSENT: None.

APPROVED AS TO FORM AND LEGALITY:



CELIA A. BREWER, City Attorney



MATT HALL, Mayor



BARBARA ENGLESON, City Clerk

(SEAL)

