



*Proprietary & Confidential*

FINAL REPORT

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**CITY OF STOCKTON**  
**HOTEL MOTEL ORDINANCE REVIEW**

September 13, 2024

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# I. EXECUTIVE SUMMARY

## A. BACKGROUND, SCOPE, AND METHODOLOGY

The City of Stockton (the City, Stockton) engaged Moss Adams LLP (Moss Adams) to conduct best practice research, peer benchmarking, and internal process review related to the structure and implementation of the City's municipal hotel, motel, lodging, and rooming houses ordinances. The purpose of this assessment is to evaluate changes other municipalities have made to City regulations and compare their code and internal processes with best practices, particularly with the rise of short-term rentals (STRs).

This work took place between December 2023 and June 2024 and was carried out across the following four phases:

- 1 Start-Up and Management.** Our team finalized the work plan to refine and confirm project deliverables, responsibilities, and schedules. We also provided ongoing updates related to work plan milestones and project progress.
- 2 Fact Finding.** We conducted a planning session with the City to develop a research framework to support updates based on industry trends and identify target peers for benchmarking. We reviewed the current landscape of the City's regulations related to the desired topic areas and leveraged the framework to determine relevant data points for research and peer benchmarking. We conducted a series of interviews with City management, staff, and external stakeholders, including representatives from Visit Stockton and the local hotel industry. Interviews were conducted to understand opportunities to update the City's ordinance and improve internal processes.
- 3 Analysis.** We identified and collected pertinent industry information on the topics and data points included within the established research framework. Using these identified topics and data points, we conducted peer benchmarking through document reviews and/or interviews for targeted peer cities. We then compiled data from the fact-finding phase to identify current trends.
- 4 Reporting.** We prepared the draft report, including observations and recommendations to address updates to the City's ordinance and internal processes. The draft report was shared with management for review. Feedback from the draft report review was incorporated into the final report before being presented to the Audit Committee.

This work was performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA).



## B. SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Summarized observations and recommendations are provided in the following table. Detailed observations and recommendations are provided in Section III.

OBSERVATIONS AND RECOMMENDATIONS		
ORDINANCE REVIEW		
1.	<b>Observation</b>	All sections included within the City's Transient Occupancy Tax (TOT) ordinance are also found across peers and in the majority of instances contain similar provisions.
	<b>Recommendation</b>	Consider minor updates to the City's TOT ordinance to clarify specific sections and strengthen enforceability.
2.	<b>Observation</b>	There are some commonly found provisions across peer TOT ordinances that are not found within the City's ordinance.
	<b>Recommendation</b>	In alignment with peer ordinances, assess the value of adding select provisions related to exemptions, successor liabilities, and confidentiality to strengthen the City's TOT ordinance.
3.	<b>Observation</b>	Stockton's hotel/motel permitting ordinance is highly prescriptive and nearly unique across peers. Only one of seven peers reviewed has a sub-section within its business licensing ordinance dedicated to hotel/motel permits; all other peers require hotels/motels to obtain a general business license or tax certificate. Several provisions within Stockton's Chapter 5.80 do not exist anywhere across peer municipal codes.
	<b>Recommendation</b>	Consider significantly revising the City's Chapter 5.80 ordinance to align with peers, and promote enforceability.
4.	<b>Observation</b>	Four of seven peer ordinances outline requirements related to guest registers. The location and contents of the requirements vary widely across peers and in comparison to Stockton.
	<b>Recommendation</b>	Evaluate potential updates to the ordinance to help ensure that guest information is accessible and accurate.
5.	<b>Observation</b>	Currently, the City does not assess STRs. The City's renewal option includes the addition of STR assessments by the end of 2024. Five of seven peer cities address STRs within their city ordinance.
	<b>Recommendation</b>	The City can consider future adoption of an ordinance regulating STRs as this lodging option becomes more popular, but should evaluate staff capacity to enforce a future policy.



OBSERVATIONS AND RECOMMENDATIONS		
ORDINANCE ADMINISTRATION		
6.	<b>Observation</b>	The City's Code Enforcement team responsible for the hotel/motel program is struggling with operational inefficiencies driven by understaffing, lack of systems, and unstandardized processes.
	<b>Recommendations</b>	<ul style="list-style-type: none"> <li>A. Continue adoption of Comcate Code enforcement Software to manage citations, scheduling, and reporting.</li> <li>B. Continue targeted recruitment efforts to fill vacancies in staffing.</li> <li>C. Consider adopting a Hotel Risk form to standardize the inspection grading process and what might qualify a hotel/motel for additional inspections.</li> </ul>
7.	<b>Observation</b>	The City currently operates with heavy use of paper. Efforts to digitize processes have been taken but still have not surpassed traditional methods.
	<b>Recommendations</b>	<ul style="list-style-type: none"> <li>A. Continue efforts to digitize information collection, management, and reporting.</li> <li>B. Evaluate opportunities to shift TOT collections to an outsourced provider.</li> </ul>



## II. INTRODUCTION

### A. BACKGROUND

The City engaged Moss Adams to review the structure and implementation of the City's municipal hotel, motel, lodging, and rooming houses ordinances and associated internal processes. The primary sponsor of this project was the Economic Development Department (EDD), which includes the Tourism and Business Improvement Division.

The City sought to understand how other municipalities have adopted regulations and codes, or otherwise modified internal processes related to hotels/motels in response to the rise of STRs. The goal of this review is to identify opportunities to improve internal processes and potential updates to the City's hotel, motel, lodging, and rooming houses ordinances.

The City is located in the Central Valley of California. It is the county seat of San Joaquin County and is situated in a region known for its agricultural productivity. At the start of 2024, the City reported 36 active hotels/motels operating within its limits, with an additional 13 hotels/motels identified as inactive or closed.

### Municipal Code

Stockton operates under a City Charter, which serves as its municipal constitution, with supplementary provisions in its Code of Ordinances (the Stockton Municipal Code). There are three primary sections of the Stockton Municipal Code relating to hotel/motel ordinances:

- **Volume 1, Title 3, Chapter 3.28:**<sup>1</sup> This chapter is called the “Uniform Transient Occupancy Tax of the City of Stockton” within the code. This ordinance outlines the regulations and procedures for imposing a tax on occupants renting accommodations in hotels, motels, and other lodging facilities within Stockton. The tax is levied for stays of less than 30 days and is used to generate revenue for the City's general fund. It includes definitions, the tax rate, exemptions, the responsibilities of operators, and enforcement measures.
- **Volume 1, Title 5, Chapter 5.80:**<sup>2</sup> This chapter is called the “Hotel, Motel, and Residential Hotel/Motel Permit Ordinance” within the code. This ordinance mandates that operators of hotels, motels, and residential hotels/motels obtain a permit to operate within Stockton. It details the application process, requirements for obtaining and renewing permits, and standards for maintaining the permit. The ordinance aims to ensure the safety, health, and welfare of guests and the public by setting operational standards and conducting regular inspections. It also includes enforcement provisions and penalties for violations.
- **Volume 1, Title 5, Chapter 5.44:**<sup>3</sup> This chapter is called the “Hotel Guest Registers.” This ordinance mandates that operators of any place intended to be used by guests for sleeping purposes maintain a register of guests. The ordinance outlines the type of information to be collected. It also stipulates that the guest register be made available for inspection.

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<sup>1</sup> <https://ecode360.com/43424270#43424270>

<sup>2</sup> <https://ecode360.com/43421909#43421909>

<sup>3</sup> <https://ecode360.com/43421193#43421193>



These sections provide the regulatory framework for hotels and motels within Stockton, covering aspects such as business licensing requirements and the imposition and collection of fees.

### **Tourism Business Improvement District (TBID)**

A TBID is a designated area within a city where businesses must pay an additional tax or fee. Its primary function is to generate funds for marketing and promotional activities to increase tourism within the district. The current Stockton TBID was established effective January 1, 2016 by the Stockton City Council and expires December 31, 2025. Visit Stockton is a 501(c)6 non-profit corporation funded through the TBID and is the official destination marketing organization for the City.

The key functions of a TBID include:

- **Revenue Generation:** TBIDs generate revenue through an additional fee charged to hotels and other tourism-related businesses. The current TBID assessment levies a four percent fee per hotel room per night.
- **Marketing and Promotion:** The TBID's funds are used to market and promote the district as a tourist destination. This can include advertising campaigns, promotional events, tourism packages, and collaborations with travel agencies and tour operators.
- **Tourism Development:** TBIDs also play a crucial role in developing and enhancing the district's appeal to tourists. This can involve improving public spaces, supporting local events and festivals, and working with businesses to improve tourist offerings.
- **Business Support:** TBIDs often support businesses within the district to help them benefit from increased tourism. This can include training programs, networking events, and assistance with marketing and promotion.

Overall, the function of a TBID is to boost tourism within a specific area, benefiting the businesses within the district and contributing to the city's overall economic health.



## B. SCOPE AND METHODOLOGY

This assessment included a review of the City’s Hotel Motel Ordinance. Analysis was informed by interviews with City management, City staff, and external stakeholders; a review of data and documents provided by the City; and a comparison of current practices to peers and industry trends.

The project was conducted between December 2023 and June 2024, in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). Specific phases of the project included:

PROJECT PHASES		
Phase	Description	Period
1 <b>Startup and Management</b>	Project initiation consisted of collaborative project planning with the City and project management, including developing our scope of work and final work plan.	December 2023
2 <b>Fact-Finding</b>	<ul style="list-style-type: none"> <li>● In the second phase, we conducted fieldwork, including ordinance review and interviews. Our procedures included:                             <ul style="list-style-type: none"> <li>○ Reviewing the existing City ordinances—Business License and Regulations (Chapter 5.80) and Transient Occupancy Tax (Chapter 3.28).</li> <li>○ Reviewing process documentation to understand how the ordinance is administered and enforced within the City.</li> <li>○ Conducting interviews with key stakeholders to understand the operational impacts of existing provisions included in the ordinances.</li> </ul> </li> </ul> <p>Fieldwork also included peer comparison.</p> <ul style="list-style-type: none"> <li>● In collaboration with the City, we identified relevant peer municipalities for comparison based on the following criteria:                             <ul style="list-style-type: none"> <li>○ Jurisdictional Relevance: Entities that share jurisdictional similarities with the City, such as population, number of hotels, and regulatory environment.</li> <li>○ Geographic Proximity: Entities located within the region were chosen due to geographic proximity and associated shared operating environments.</li> <li>○ Resource Alignment: Entities with similarly-aligned resources, funding, and operational frameworks.</li> </ul> </li> <li>● Using the above criteria, we targeted the following seven peers for comparison and benchmarking:                             <ul style="list-style-type: none"> <li>○ Bakersfield</li> <li>○ Elk Grove</li> <li>○ Fresno</li> </ul> </li> </ul>	January–March 2024





PROJECT PHASES		
Phase	Description	Period
	<ul style="list-style-type: none"> <li>○ Irvine</li> <li>○ Lodi</li> <li>○ Riverside</li> <li>○ Sacramento</li> <li>● We conducted research into relevant municipal codes for peer cities, initiated several rounds of outreach to supplement benchmarking, and conducted interviews with available peer cities.</li> <li>● We relied on a variety of research sources to inform the analysis, observations, and recommendations. Sources included the National League of Cities, the Municipal Research and Services Center, and the International City/County Management Association.</li> </ul>	
<b>3 Targeted Analysis</b>	<p>Based on the information gained during Phase 2, we performed a comparative analysis to identify opportunities for Stockton to update its ordinances to align with peers and best practices. We developed practical recommendations for the City to consider. Key procedures included:</p> <ul style="list-style-type: none"> <li>● For each ordinance section, we recommended potential revisions, comparing the City’s existing language to peer and best practice provisions.</li> <li>● Preparing, presenting, and revising the draft report.</li> </ul>	April–May 2024
<b>4 Reporting Results</b>	<p>We communicated the results of our analysis with observations and recommendations, presented first in a draft report that was reviewed with management, to confirm the practicality and relevance of recommendations before finalizing the report.</p>	June 2024



### III. OBSERVATIONS AND RECOMMENDATIONS

Based on the input gathered from interviews, document review, focus groups, and comparisons to peer and industry trends, we prepared a comprehensive set of observations and recommendations, presented below.

#### A. TRANSIENT OCCUPANCY TAX – CHAPTER 3.28

The observations and recommendations in this section pertain to the TOT section of the City's municipal code, found in Chapter 3.28. A comprehensive comparison to peer cities is included in [Appendix B](#).

##### TOT Ordinance Review

<b>1.</b>	<b>Observation</b>	All sections included within the City's Transient Occupancy Tax (TOT) ordinance are also found across peers and in the majority of instances contain similar provisions.
	<b>Recommendation</b>	Consider minor updates to the City's TOT ordinance to clarify specific sections and strengthen enforceability.

A TOT ordinance, often referred to as a "hotel" or "bed" tax, is a local law that imposes a tax on guests who rent accommodations in a hotel, inn, tourist home or house, motel, or other lodging for a period of less than 30 days. The primary purpose of a TOT ordinance is to generate revenue for the city or jurisdiction. This revenue is typically used to fund local services and infrastructure, such as public safety, parks, and roads, as well as tourism promotion and development. In some cases, a portion of the revenue may also be allocated to special projects or initiatives, such as affordable housing or cultural programs.

A TOT ordinance establishes the responsibilities of operators in collecting and remitting the tax, provides for penalties in case of non-compliance, and sets out procedures for appeals and disputes. By doing so, the ordinance ensures that the tax is collected in a fair and consistent manner. All peers have a TOT ordinance within their municipal code; however, specific sections contained within each TOT ordinance can vary widely. The following is a comparison of Stockton's TOT ordinance and sections against seven peers.

TRANSIENT OCCUPANCY TAX – CHAPTER 3.28			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Section 3.28.020 Definitions</b>	The ordinance defines key terms like "hotel," "occupancy," "operator," "person," "rent," and "transient."	Similar definitions with some variation to include city-specific terms such as "campground," "bed and breakfast," "recreational vehicle park," etc.	No updates recommended.



TRANSIENT OCCUPANCY TAX – CHAPTER 3.28			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Section 3.28.030 Tax imposed</b>	A tax of 8% of the rent is imposed on transients for the privilege of occupancy in any hotel.	<ul style="list-style-type: none"> <li>Four of seven peers have rates closer to 12–13%.</li> <li>Three peer have rates ranging between 6–8%.</li> </ul>	Assess TOT rates to evaluate the practicality of incremental increases over time.
<b>Section 3.28.040 Operator’s duties</b>	Operators must collect the tax from transients and separately state it from the rent charged.	Most peers title this section similarly and include similar provisions.	No updates recommended.
<b>Section 3.28.050 Registration</b>	<p>Operators must register their hotels with the Tax Administrator and obtain a transient occupancy registration certificate within 30 days of the effective tax or commencing the business.</p> <p>The certificate must include the:</p> <ul style="list-style-type: none"> <li>Name of operator</li> <li>Address of the hotel</li> <li>Date the certificate was issued</li> <li>Statement certifying registration</li> </ul>	<ul style="list-style-type: none"> <li>Five peers also include a registration provision in their TOT ordinance.</li> <li>There is some variation in the number of days whereby registration must be completed, ranging from 5–60.</li> <li>Some provisions state the signing authorities within the city.</li> <li>Certificate information is the same across peers with a registration provision.</li> </ul>	<p>The City can consider updating the ordinance to include who in the City is authorized to sign the certificate. This could be a good control measure, if this was an issue.</p> <p>No other updates recommended.</p>
<b>Section 3.28.060 Security for collection of tax</b>	<p>The Tax Administrator may require operators to provide a security deposit to ensure compliance with tax payment requirements. The security deposit shall be equal to an amount not greater than twice the person’s estimated average liability for the first period for which a return must be filed, or the sum of \$10,000.00, whichever is less.</p> <p>Includes obligations of tax liability clearance in the event an operator</p>	<p>Two peers have provisions for securities that are the same as Stockton’s.</p> <p>Four peers enable the city to place a lien on a property. Sections in these provisions address:</p> <ul style="list-style-type: none"> <li>Lien certificate recording</li> <li>Warrant for collections</li> <li>Seizure and sale</li> </ul> <p>Five peers have separate provisions for successor liabilities.</p>	<ul style="list-style-type: none"> <li>Assess the practicality of shifting the City’s security provisions to enable the City to place a lien on a property.</li> <li>Create a separate section of the ordinance to address <u>successor liabilities</u>.</li> </ul>



TRANSIENT OCCUPANCY TAX – CHAPTER 3.28			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
	stops, sells, or transfers the business.		
<b>Section 3.28.070 Reporting and remitting</b>	<p>Operators must make quarterly returns to the Tax Administrator on or before the last day of the month following the close of each quarter and remit the full amount of tax collected.</p> <p>The Tax Administrator may collect more frequently.</p>	<ul style="list-style-type: none"> <li>• Four of seven peers collect tax monthly. Three peers collect tax quarterly.</li> <li>• Two peers require reposting at the cessation of the business.</li> <li>• All have similar powers of the tax administrator or equivalent position to impose shorter collection periods.</li> </ul>	No changes recommended. The City does not currently have sufficient personnel to administer monthly collections.
<b>Section 3.28.080 Penalties and interest</b>	<p>Operators face penalties and interest for failing to timely remit taxes.</p> <ul style="list-style-type: none"> <li>• First delinquency: Tax amount plus 10%</li> <li>• Continued delinquency: Tax amount plus 10%</li> <li>• Fraud: 25% of tax in addition to the penalties above</li> <li>• Interest: 0.5% per month of the tax exclusive of the penalties</li> </ul> <p>Penalties merged: Every penalty and such interest accrues until the tax is paid</p>	<p>Six of seven peers have identical:</p> <ul style="list-style-type: none"> <li>• Penalties for delinquency</li> <li>• Penalties for fraud</li> <li>• Allowability to merge penalties</li> </ul> <p>There is some variation in interest penalties, ranging from 0.5% to 1% monthly, or 2% per annum.</p> <ul style="list-style-type: none"> <li>• One peer has significantly more severe penalties.</li> </ul>	No updates recommended.
<b>Section 3.28.090 Failure to collect and report tax</b>	<p>The Tax Administrator can determine the tax due if an operator fails to collect and report it.</p> <ul style="list-style-type: none"> <li>• An operator may apply for a hearing on the amount assessed within 10 days of the notice.</li> <li>• The Tax Administrator must</li> </ul>	<ul style="list-style-type: none"> <li>• Four out of seven peers have identical provisions.</li> <li>• Variations include the method for notification (first-class mail, in person, etc.).</li> <li>• Two peers do not allow for hearings. One of these does allow for a “redetermination.”</li> </ul>	No updates recommended.



TRANSIENT OCCUPANCY TAX – CHAPTER 3.28			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
	<p>respond within five days.</p> <p>The amount determined to be due shall be payable after 15 days unless there is an appeal.</p>	<ul style="list-style-type: none"> <li>Nearly all have a 15-day payment requirement. One requires payment due immediately.</li> </ul>	
<b>Section 3.28.100 Appeal</b>	<p>Operators can appeal the Tax Administrator's determinations to the City Council.</p> <ul style="list-style-type: none"> <li>Appeals can be made within 15 days.</li> <li>Hearings are held in front of City Council.</li> </ul> <p>Payment is due immediately upon determination (as applies).</p>	<p>Four peers of seven have identical provisions.</p> <p>Two peers reference a broader municipal code that guides all appeals.</p> <ul style="list-style-type: none"> <li>One peer hosts hearings in front of the Financial Performance and Budget Committee rather than in front of City Council.</li> </ul>	<p>No updates recommended. Stockton embeds the appeals process within specific ordinances across its municipal code. This should be noted for consistency if this were ever to be updated in the future.</p>
<b>Section 3.28.110 Records</b>	<p>Operators must keep records for three years to determine their tax liability.</p>	<ul style="list-style-type: none"> <li>Four of seven peers have identical provisions.</li> <li>Some have a longer retention period between 3.5–4 years.</li> <li>Some include more prescriptive guidance on records retention.</li> </ul>	<p>No updates recommended.</p>
<b>Section 3.28.120 Refunds</b>	<p>Procedures are provided for obtaining refunds of overpaid, duplicate, or erroneously collected taxes by either an operator or a transient. Claims must be filed within three years.</p>	<ul style="list-style-type: none"> <li>Most peers have identical or similar provisions.</li> <li>Two peers limit the claim period to one year.</li> </ul>	<p>No updates recommended.</p> <p>If the City were experiencing issues with the window to file claims it could shorten it to one year.</p>
<b>Section 3.28.130 Actions to collect</b>	<p>Unpaid taxes are debts owed to the City that can be recovered through legal action.</p>	<ul style="list-style-type: none"> <li>Five of seven peers have identical provisions within their ordinance. Others are not materially different.</li> </ul>	<p>No updates recommended.</p>
<b>Section 3.28.140 Violations</b>	<p>It is unlawful to fail to register, file returns, or provide truthful</p>	<p>Six of seven peers designate any violation of</p>	<p>Consider updating the code to state that</p>



TRANSIENT OCCUPANCY TAX – CHAPTER 3.28			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
	information as required by the ordinance.  Does not qualify violations of the ordinance as a misdemeanor or other.	the ordinance of a misdemeanor.  • Four of seven peers reference broader municipal ordinances that outline the commencement for criminal proceedings related to misdemeanors.	violations of the code will result in a misdemeanor.  Reference guidance for the punishment of misdemeanors as established in <a href="#">Chapter 1.08.010- Criminal Violations—Misdemeanors and infractions.</a>

## TOT Ordinance Additions

<b>2.</b>	<b>Observation</b>	<b>There are some commonly found provisions across peer TOT ordinances that are not found within the City’s ordinance.</b>
	<b>Recommendation</b>	<b>In alignment with peer ordinances, assess the value of adding select provisions related to exemptions, successor liabilities, and confidentiality to strengthen the City’s TOT ordinance.</b>

The City’s TOT ordinance, while comprehensive in many respects, does not include certain sections that are commonly found in similar ordinances in peer jurisdictions. These missing sections, which cover aspects such as exemptions, confidentiality, and guidance on uncollectable accounts and successor liabilities, could help to strengthen Stockton’s TOT ordinance. Incorporating these elements could provide greater clarity for both the City and operators, reduce potential ambiguities, and ensure more robust enforcement of the TOT. As such, it may be beneficial for the City to consider revising its TOT ordinance to include these commonly found sections.

### *Exemptions*

Six of seven peers include a section on exemptions within their TOT ordinance. The purpose of an exemption section is to specify individuals who are not required to pay the tax. These could include certain government officials, long-term residents, or others for whom the imposition of the tax would be inappropriate or unlawful.

All exemption sections across peers include the following:

- No tax shall be imposed upon any person or occupancy that is beyond the power of the city to impose. This is a common phrase that appears in each of the sections, indicating that the city cannot tax individuals or situations where it does not have the legal authority to do so.
- All peers require that any exemption must be claimed at the time rent is collected and under penalty of perjury. This means that individuals must claim their exemption when they pay their rent and they must be truthful in their claim, or they could face legal consequences.



- All peers require the exemption claim be made on a form prescribed by a city official, such as the assessor-collector, Tax Administrator, Director of Administrative Services, or Tax and License Collector.

Peer ordinances included differences in exemptions. For example, some sections specify that officers or employees of a foreign government who are exempt by express provision of federal law or international treaty are not subject to the tax. Others extend this exemption to federal or state officers or employees when on official business. Some peer ordinances also provide exemptions for occupants for more than 30 successive calendar days, occupants whose rent is of a value less than two dollars a day, and people who rent certain types of rooms or facilities. One peer provides a presumption within its ordinance that an operator is not liable for the tax with respect to any government employee or officer for whom the operator retains a signed and dated copy of the exemption form.

The City should consider updating its TOT ordinance to include a section for exemptions. An exemption section is important because it ensures that the tax is applied consistently and in accordance with the City's legal authority and policy objectives. It also provides a clear process for claiming an exemption, which helps to prevent misunderstandings and disputes.

### *Successor Liability*

Five of seven peer cities have a distinct section in their ordinance called Successor Liabilities. This section includes additional details to clarify successor roles, responsibilities, liabilities, and obligations of the seller, purchaser, and the city.

Within the City's TOT ordinance is a section called Security to Collect on Tax. Included in this section are the rules explaining the circumstances in which a person is considered a successor to a person leaving a business (specifically a hotel or motel operator). It also explains the successor's responsibility for payment of an outstanding tax liability owed by the taxpayer who left the business, whether that liability is known at the time of purchase or not. For peers that have a Successor Liabilities section, their Security for Collection of Tax section defines the mechanism by which a city can ensure compliance with this TOT ordinance for existing operators.

The City's Security for Collection of Tax section of its TOT ordinance does not enable the City to collect outstanding TOT taxes in instances where an operator leaves or sells the business. The effectiveness of the terms outlined in Stockton's Security for the Collection of Tax relies heavily on the operational efficiency of the Tax Administrator's office in processing requests for tax clearance certificates and communicating amounts due. Any inefficiencies, resource constraints, or procedural lapses in the Tax Administrator's office can significantly undermine the ordinance's enforcement, leading to lapses in tax collection and financial discrepancies.

1. **Notification:** Rules describing notifications of a sale or transfer are outlined in the City's Hotel, Motel, Lodging, and Rooming Houses ordinance (Chapter 5.80). The five of seven peers with specific successor liability sections in their TOT ordinance include notification of quitting, selling, or transferring a hotel/motel within that section. If Stockton does not create a separate section for successor liabilities, it should consider linking to the notification requirements in Chapter 5.80.
2. **Release of successor obligation to withhold funds:** With the exception of the City of Fresno, no other peer cities release the successor from their obligation to withhold funds from the purchase price without a tax clearance certificate from the successor or the seller.



- a. The City should consider eliminating this qualifier from its ordinance. The City of Lodi simply states:

“Within thirty days after receiving a written request from the successor for a tax clearance certificate stating that no tax or penalty is due, the tax administrator shall either issue the certificate or mail notice to the successor at its address as it appears on the records of the city of the estimated amount of the tax and penalty that must be paid as a condition of issuing the certificate.”

The City of Elk Grove’s ordinance states, “Nothing herein shall relieve any operator, assignor, seller, transferor, or other person or entity who transfers ownership of the hotel from any liability under this chapter or as otherwise provided by law.”

- b. Alternatively, the City could take a similar approach to the City of Irvine, which requires the successor to pay the tax due in the absence of a tax clearance certificate.

“If the selling operator fails to present a transient occupancy tax clearance certificate showing that no tax or penalty is due from the operator through the date of sale to the operator’s successor within 30 days after such successor commences operation of the hotel, then the successor shall immediately deposit the amount withheld from the purchase price with the Director of Administrative Services pending settlement of the account of the selling operator.”

3. **Response time:** Peer cities more commonly have a 60–90 day response deadline for their Tax Administrator (or equivalent) role to respond to a request for a tax clearance certificate or to be informed of the tax due. For example, the City of Bakersfield’s ordinance states:

“Within sixty days after receiving a written request from the purchaser for a certificate, or within sixty days from the date the former owner’s records were made available for audit, whichever period expires the later, but in any event not later than ninety days after receiving the request...”  
The City of Elk Grove has a 90-day response timeline from receipt of a written request for a tax clearance certificate.

Extending the notification requirements can help the City manage operational challenges that may result in extended notification timelines and the subsequent release of the successor from withholding funds to cover unpaid TOT taxes.

4. **Audit:** Rather than requiring the city to provide the amount of unpaid TOT tax due to either the seller or the purchaser, some cities require documentation supporting the estimate of unpaid TOT tax (if any) be provided to the city. In these instances, the city’s obligation is to affirm the estimate or notify the requestor (either seller or successor) of an update. Cities that include the right to audit the estimated liabilities include the cities of Irvine, Bakersfield, and Elk Grove.

The City can consider adopting an audit clause in its ordinance; however, this will require the availability of personnel, and that operators are aware of the requirements to retain documentation supporting estimates of their TOT tax.

In addition to the updates above, the City can consider structural and philosophical updates to its ordinance. As observed, the City’s ordinance places the responsibility of compliance with the ordinance internally. Conversely, peer cities such as Lodi, Irvine, Elk Grove, and Bakersfield shift the burden of proof that the tax liability is cleared on the seller or the purchaser. An overall approach similar to peer cities can help mitigate Stockton’s risk of lost TOT taxes.

### *Confidentiality*

Three of seven peers include sections that address the confidentiality of records within their related hotel/motel ordinances (either TOT or Guest Registers).





Maintaining the confidentiality of records can be an important aspect of any regulatory framework, particularly when it comes to tax-related matters. A section dedicated to this topic would protect the sensitive information of taxpayers, operators, and guests, such as name, address, and payment details. It would also establish clear guidelines for City officials and employees regarding the handling, storage, and disclosure of such information.

A confidentiality section in Stockton's TOT or Guest Registers ordinances could outline the types of information considered confidential, the responsibilities of various parties in maintaining this confidentiality, and the circumstances under which such information can be lawfully disclosed. It could also detail the penalties for unauthorized disclosure of confidential information. By including such a section, the City can demonstrate its commitment to privacy and data protection, thereby enhancing trust among taxpayers and operators and potentially improving compliance with the ordinance.

## B. HOTEL, MOTEL, AND RESIDENTIAL HOTEL/MOTEL PERMIT ORDINANCE – CHAPTER 5.80

The observations and recommendations in this section pertain to the hotel/motel business license and regulations section of the City's municipal code (Chapter 5.80). A comprehensive comparison against peers is included in [Appendix C](#).

Of surveyed peers, only the City of Bakersfield has a subsection within its business licensing ordinance to specifically address hotel/motel permitting. All other peers require hotels and motels to obtain a general business license or business tax certificate. As Stockton also has a section for general business licensing, the details of the business licensing section were not compared but noted. Where sections of Stockton's Hotel/Motel permit ordinance are not addressed by general business licensing, peer ordinances were examined to determine if relevant information was addressed elsewhere.

### Hotel/Motel Permitting Ordinance Review

<b>3. Observation</b>	<b>Stockton's hotel/motel permitting ordinance is highly prescriptive and nearly unique across peers. Only one of seven peers reviewed has a subsection within its business licensing ordinance dedicated to hotel/motel permits; all other peers require hotels/motels to obtain a general business license or tax certificate. Several provisions within Stockton's Chapter 5.80 do not exist anywhere across peer municipal codes.</b>
<b>Recommendation</b>	<b>Consider significantly revising the City's Chapter 5.80 ordinance to align with peers, and promote enforceability.</b>

In other cities, a business license or a business tax certificate requirement within a city's municipal code helps ensure that businesses operating within a city's jurisdiction comply with local laws and standards. This includes adherence to health and safety regulations, zoning laws, and other relevant municipal codes. A business license or business tax certificate further acts as a source of revenue for a city. The fees collected from business licenses or tax certificates contribute to a city's budget, helping to fund public services and infrastructure. In addition, having a business license or tax certificate can provide a level of legitimacy to a business, reassuring customers and other



stakeholders that the business is operating legally and in compliance with local regulations. It also allows a city to keep track of the types and numbers of businesses operating within its jurisdiction, which can be useful for planning and economic development purposes.

The City has a subsection in its business license ordinance specifically for hotel, motel, and residential hotel/motel permits. This ordinance, known as the “Hotel, Motel, and Residential Hotel/Motel Permit Ordinance,” is designed to improve the conditions of the City’s hotel and motel stock, particularly those that serve as temporary or long-term housing for low-income residents. The ordinance requires these establishments to obtain a permit to operate and comply with certain standards, with the aim of providing safe and decent accommodation. It also requires hotel and motel managers to obtain a permit, and sets out rules and regulations for the issuance, suspension, or revocation of these permits.

Across peers, only the City of Bakersfield has a subsection requiring hotels/motels to obtain a permit to operate in addition to a business license or tax certificate. The City of Riverside includes its TOT ordinance within the business license and tax section of its municipal code; therefore, several sections within its TOT ordinance regulate some aspects of hotel/motel permitting. The majority of peers (five of seven) do not make specific reference to hotel/motel permitting whatsoever beyond requirements to obtain a general business license or a business tax certificate.

The City should consider whether the conditions that necessitated the Hotel, Motel, and Residential Hotel/Motel Permit Ordinance still exist today. If the City were to keep its permit to operate requirement, there are opportunities to streamline this ordinance. Simplifying the ordinance can help clarify expectations, avoid duplications, and match the enforcement procedures with the actual capacity of the City’s code enforcement team (see [Enforcement](#)). In the future, Stockton could consider moving the Hotel/Motel Permit Ordinance to within section 5.04 Business Licenses. This might make it easier for individuals to know that there is both a requirement for a business license as well as a permit to operate for hotels and motels.

The following is a review of the observations and recommendations for each section of the City’s hotel/motel permitting ordinance.

SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Section 5.80.020 Purpose</b>	Chapter 5.80 was developed based on recommendations provided by the Community Improvement Task Force to address significant concerns related to the City’s hotel and motel stock which also serves as temporary housing.  Chapter 5.80 requires permits to operate a hotel, and permits for	One peer (Bakersfield) requires hotel/motel operators to obtain a permit to operate in addition to a business tax certificate or general business license.	Though uncommon, the 5.80 ordinance was created to respond to a specific need. There is no recommendation at this time to fully eliminate the ordinance.



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
	<p>managers of those hotels.</p> <p>The permits required in this chapter are in addition to requirements to obtain a business license.</p>		
<b>Section 5.80.030 Definitions</b>	<p>Defines key terms used throughout as expected (e.g., hotel, motel, manager, etc.)</p> <p>Additional definitions include specific amenities such as bed, bathroom, kitchen, and pest control, and room charges.</p>	Of the one comparable peer (Bakersfield), definitions are fewer and include only “hotel,” “transient,” and “person.”	Review relevant definitions if updates are made to the code.
<b>Section 5.80.040 Permit required</b>	It is unlawful to operate a hotel, motel, or residential hotel/motel without first obtaining a written permit from the City Manager; this is in addition to a business license.	One peer (Bakersfield) requires a permit to operate in addition to a business tax certificate or license, which is required by all peers.	<p>No updates recommended.</p> <p>As noted above, only one other peer also requires a hotel/motel permit to operate. Though uncommon, the ordinance was created in response to a community need. The condition upon which the ordinance was created should be assessed before potentially revising the need for a permit to operate.</p>
<b>Section 5.80.050 Application</b>	<p>Applications for permits must be filed with the City Manager, be in writing on City forms, and be accompanied by an annual fee.</p> <p>There is no deadline to apply.</p>	One peer (Bakersfield) requires applications to be submitted on city-provided forms at least 30 days before starting a business.	Consider adopting a 30-day advance application requirement similar to Bakersfield for better administrative processing.
<b>Section 5.80.060 Documents accompanying application</b>	The permit application must include various documents such as photos, proof of age, a management plan,	One peer requires more detailed information, including personal and business details such as contact information, physical characteristics, identification numbers, and	<p>Consider revising this section to:</p> <ul style="list-style-type: none"> <li>Remove duplicate requirements that may be listed within the</li> </ul>



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
	and pest control certification.	<p>arrest record, if any. If the owner is a corporation, its incorporation details are required. The application must also include the business location, tax certificate number, and history of prior permits, including any suspensions or revocations.</p> <p>No other peers require a management plan.</p>	<p>business license section of the City's ordinance.</p> <ul style="list-style-type: none"> <li>Combine with section 5.80.070.</li> </ul> <p>As a sub-section to the City's business license ordinance, this section should focus on the additional documents required for a permit to operate.</p> <p>Consider removing the requirement for a management plan, as no other peers require this.</p>
<b>Section 5.80.070 Additional information required for residential hotel/motel</b>	Residential hotel/motel applications must also include information about zoning, parking, facilities, and onsite management.	This is commonly addressed in the business certificate/tax ordinance.	This is duplicative alongside the business license application requirements and section 5.80.060. Consider consolidating.
<b>Section 5.80.080 Investigation</b>	The City Manager and other departments will investigate and inspect the premises before granting or denying a permit.	There are consistent investigation practices across peers.	No updates recommended.
<b>Section 5.80.090 Required conditions of the premises — Required management plan</b>	The premises must meet various housing, building, fire, and health code requirements, and the application must include a management plan.	Across peers, this information is more commonly captured in a city's planning and development department, health and safety, zoning, or building code section.	<p>Consider streamlining this section.</p> <p>Requirement of a management plan is duplicative of section 5.80.060.</p> <p>Similar to peers, consider simplifying the ordinance to reference "all additional government approvals, permits, licenses, and/or entitlements required in order to operate the business."</p>



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Section 5.80.100 List of room charges</b>	A list of all room charges must be made available to residents and the public.	There are no similar provisions in peer cities.	No updates recommended. A new proposed law many require all fees be disclosed.
<b>Section 5.80.110 Quarterly inspections - Exemptions</b>	Quarterly inspections are required unless the initial inspection shows full compliance and no subsequent violations.	Across peers, hotel/motel inspections can be carried out either by the city or county.  Inspections typically occur yearly. If persistent violations are found, then inspections can increase in frequency to semi-annually.	The City can consider updating its ordinance to transition to annual inspections. If ongoing violations are found, the inspection cadence can increase.  This will likely not result in an operational shift, as many hotels are in compliance and inspections occur less than quarterly.
<b>Section 5.80.120 Business license</b>	Obtaining a business license is required in addition to the permit to operate.	Most peers require only a business license or business tax certificate.  One peer has a similar provision with a permit-to-operate requirement (Bakersfield).	No updates are recommended as long as the City requires a permit to operate in addition to a business license, which is uncommon across peers.
<b>Section 5.80.130 Time within which to grant or deny permit to operate</b>	Requires the City to review the permit application and grant or deny the permit within 45 days.	The one city with a permit-to-operate requirement (Bakersfield) does not include a response deadline.	No updates recommended.
<b>Section 5.80.140 Grounds for denial of a permit to operate</b>	Lists the grounds on which the City can deny a permit to operate, such as the premises not complying with applicable laws or the applicant having certain criminal convictions.	This is somewhat different than the one peer with a similar ordinance (Bakersfield).  That peer instead has conditions in which a permit can be approved, which are more simplified.	A philosophical change might help strengthen the ordinance.  Rather than listing the ways in which a permit is denied (creating the potential for loopholes), the City could list the conditions in which a permit could be approved. This might allow more flexibility to reject a permit, if unforeseen circumstances arise that would warrant a denial.
<b>Section 5.80.150 Alternate</b>	Allows the City to issue a conditional permit to operate if	Of the one comparable peer (Bakersfield), there are no	No updates recommended.



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>procedure— Issuance of permit with conditions imposed</b>	the premises don't fully meet requirements, with conditions the operator must comply with.	provisions to issue a conditional permit.  Some peers include provisions for the conditional granting of a business license.	
<b>Section 5.80.160 Inspection</b>	Requires the premises to be accessible for inspection by City and county officials.	Ongoing inspections are typically included in a city's code enforcement ordinance.	This section should be combined with section 5.80.110, or be eliminated and instead reference regular building inspections outlined in other areas of the City's ordinance.
<b>Section 5.80.170 Business name</b>	Requires any changes to the business name to be approved by the City.	Across all peers, this is more commonly addressed in the business license or business tax certificate general provisions.	Consider combining with section 5.80.180 to simply state that a permit to operate is non-transferable and/or valid only for the business name/location listed on the application.
<b>Section 5.80.180 Business location change</b>	Requires approval from the City for changing the location of the hotel, motel, or residential hotel/motel.		
<b>Section 5.80.190 Sale or transfer of hotel, motel, and residential hotel/motel establishment interest</b>	Requires reporting and approval for the sale or transfer of majority ownership interest in the establishment.	This is most often found in a city's TOT ordinance under Successor Liabilities or within the general provisions of a business license or business tax certificate.	In combination with the recommendation to add a section for Successor Liabilities in the City's TOT ordinance, consider cross referencing these sections (reference the TOT ordinance here, and this section in the TOT ordinance) to make sure owners and prospective buyers are aware of both requirements.
<b>Section 5.80.200 Display of permits</b>	Requires the operator to display the permit to operate and manager permits.	Bakersfield has identical provisions, requiring the operator to display the permit to operate.	No updates recommended.
<b>Section 5.80.210 Records</b>	Requires the operator to maintain records of employees.	One peer (Fresno) has somewhat similar provisions, requiring the hotel operator to maintain a register that includes the name of the hotel employee checking in the guest. However,	Consider removing.



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
		no other employee information is required.	
<b>Section 5.80.220 Pre-existing operators and managers</b>	Requires existing operators and managers to comply with the ordinance within 180 days.	All peers simplify this provision to state that an active business must have valid licenses and permits.	If the City adopts the application deadline of 30 days prior to commencing operations, it could simplify this provision similar to peers.
<b>Section 5.80.230 Summary suspension of a permit to operate</b>	Allows the City to summarily suspend a permit to operate in certain circumstances.	For the one comparable peer (Bakersfield), this is simplified into one section called "Revocation."  This section simply states that the City Manager may immediately revoke a permit based on certain conditions (only four are listed).  Notification, hearing, and appeal procedures are represented in the business tax certificate section.	Consider consolidating this section and simplifying procedures for revoking a permit.
<b>Section 5.80.240 Suspension or revocation by City Manager</b>	Allows the City Manager to initiate suspension or revocation of a permit to operate.		
<b>Section 5.80.250 Grounds for revocation or suspension of permit to operate</b>	Grounds for revocation or suspension of a permit to operate include violating provisions, committing acts for permit denial, engaging in fraud, failing to correct violations, operating without a valid permit, or employing an unpermitted manager.		
<b>Section 5.80.260 Rights of appeal from denial, suspension, or revocation of permit to</b>	Outlines the appeal process for a denied, suspended, or revoked permit to operate.	For the one comparable peer (Bakersfield), this is simplified into one section called "Appeals."	Consider simplifying this section or linking it to established procedures for notification, appeals, hearings, etc. outlined in Chapter 1.44.



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
operate/hearing procedure			
<b>Section 5.80.270 Action of Administrative Hearing Officer as to permit to operate—Final and conclusive</b>	States the Administrative Hearing Officer's decision on a permit to operate is final.		
<b>Section 5.80.280 Return of permit to operate— Closure of premises</b>	Requires the return of a revoked or suspended permit and allows the City to close the premises.	The comparable peer with a permit to operate ordinance (Bakersfield) does not include provisions or hotel/motel closure.  One peer (Riverside) outlines provisions to close a hotel in its TOT ordinance.  All other entities reference their general business license ordinance.	The City could consider removing this section and referencing business closures within its general business license ordinance.
<b>Section 5.80.290 Hotel, motel, and residential hotel/motel manager's work permit required</b>	Requires managers to obtain a work permit.	No peers require a manager's permit or anything similar.  One peer (Fresno) stipulates that employees responsible for check-in guests receive proper training. Training is required to be provided by the hotel operator, not the city.	Consider evaluating the conditions that resulted in this requirement and whether those are still relevant today and updating accordingly. For example: <ul style="list-style-type: none"> <li>Remove the educational requirement.</li> <li>Link references to appeals to Chapter 1.44</li> </ul>
<b>Section 5.80.300 Manager's permit eligibility</b>	Outlines the requirements for obtaining a manager's permit.		
<b>Section 5.80.310 Application for manager's permit</b>	Specifies the application process for a manager's permit.		
<b>Section 5.80.320 Investigation of manager permit applications</b>	Lists the grounds for denying, suspending, or revoking a manager's permit.		
<b>Section 5.80.330</b>	Outlines the appeal process for a denied, suspended, or		





SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Time within which to grant or deny a manager's permit</b>	revoked manager's permit.		
<b>Section 5.80.340 Grounds for denial of a manager's permit</b>	Allows the City to summarily suspend a manager's permit in certain circumstances.		
<b>Section 5.80.350 Summary suspension of permit</b>	States the Administrative Hearing Officer's decision on a manager's permit is final.		
<b>Section 5.80.360 Notice of summary suspension</b>	Allows the City Manager or Chief of Police to obtain identification information from hotel/motel employees.		
<b>Section 5.80.370 Suspension and revocation by City Manager</b>	Allows the City Manager to initiate suspension or revocation procedures for a manager's permit by sending written notice.		
<b>Section 5.80.380 Grounds for revocation or suspension of manager's permit</b>	Lists the grounds under which a manager's permit may be suspended or revoked, such as violating the ordinance or continuing to function as a manager after the permit has been suspended.		
<b>Section 5.80.390 Return of permit</b>	Requires the manager's permit to be returned to the		



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
	City upon revocation or suspension.		
<b>Section 5.80.400 Rights of appeal from denial, suspension, or revocation of a manager's permit</b>	Outlines the procedures for appealing the denial, suspension, or revocation of a manager's permit.		
<b>Section 5.80.410 Action of Administrative Hearing Officer as to manager permits final and conclusive</b>	States that the decisions of the Administrative Hearing Officer regarding manager permits are final.		
<b>Section 5.80.420 Renewal of manager's permit</b>	Allows for the renewal of a valid manager's permit.		
<b>Section 5.80.430 Administrative procedure and authority of Administrative Hearing Officer</b>	Authorizes the Administrative Hearing Officer to hold hearings regarding violations of the ordinance.	All peers reference the city's business license and tax ordinance's general provisions for procedures on administrative hearings.	Consider removing and referencing this information within Chapter 1.44.
<b>Section 5.80.440 Violations and penalties</b>	Establishes a penalty schedule for violations of the ordinance.	<p>All peers reference the city's business license and tax ordinance's general provisions for violations and penalties.</p> <p>The language is simplified to state that any violation of the ordinance (which includes applicable government-issued permits, certificates, and licenses) is considered a misdemeanor.</p> <p>Penalties for various code infractions are captured in the city's respective fee schedule.</p>	<p>Consider linking this information to the established code violation penalties sections in the City's ordinance 1.24, and 1.32 (fire, police, health and safety, etc.).</p> <p>Similar to the TOT ordinance, this could simply state that penalties can be cumulative. This would ensure that violation penalties are consistent across businesses, and that fee amounts remain consistently updated across the ordinance.</p> <p>Maintain all other provisions for suspension or revocation.</p>



SUMMARY OF BUSINESS LICENSE AND REGULATIONS CHAPTER 5.8			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Section 5.80.450 Appeal of administrative citation issued hereunder</b>	Allows for the appeal of any administrative citations issued under the ordinance under the procedures outlined in Chapter 1.44.	There are similar provisions across peers.	No updates recommended.
<b>Section 5.80.460 Permits issued for one year</b>	States that all permits issued under the ordinance expire after one year and must be renewed annually.	The one comparable peer (Bakersfield) states that the permit is in effect until suspended or revoked.	No update recommended.
<b>Section 5.80.470 Other licenses, permits required</b>	Clarifies that the permits required by this ordinance are in addition to any other required licenses or permits.	There are similar provisions across peers.	No updates recommended.

## C. HOTEL GUEST REGISTERS – CHAPTER 5.44

The observations and recommendations in this section pertain to the hotel guest register section of the City's municipal code (Chapter 5.44). A comprehensive comparison against peers is included in [Appendix D](#).

### Guest Registers Ordinance Review

<b>4.</b>	<b>Observation</b>	<b>Four of seven peer ordinances outline requirements related to guest registers. The location and contents of the requirements vary widely across peers and in comparison to Stockton.</b>
	<b>Recommendation</b>	<b>Evaluate potential updates to the ordinance to help ensure that guest information is accessible and accurate.</b>

When present, a hotel guest register ordinance ensures that hotel/motel operators maintain a comprehensive and accurate record of all guests who occupy a room or facility. Ordinances often specify the type of information required at the time of booking and can include the guest's name, address, details of their party, number of rooms, and dates of the stay. This information can be important for various reasons, such as ensuring the safety and security of guests, aiding in the management of the establishment, and providing a reliable record in case of legal or administrative needs. This also helps with accurate TOT tax collection.

Chapter 5.44 of Stockton's municipal code regulates the maintenance and inspection of hotel guest registers. While the basic premise of maintaining a guest register is common (four of seven peers



include this somewhere in their municipal code), the specifics of what information is required, how it is stored, and who has access to it can differ significantly. For example, some cities only require that a register to include a guest's name and address, while others require date of birth, room rate, method of payment, and the name of the hotel employee checking in the guest. The location of this information in the city's ordinances can also differ:

- Bakersfield includes reference to their register within its Hotels and Lodging Houses permitting ordinance 5.26. This is different from Stockton where the Hotel Guest Register chapter is separate from its hotel/motel permitting chapter.
- Fresno includes register regulations with Chapter 9 – Regulations Regarding Business and Personal Conduct (section 9-105 – Hotel Registration)
- Riverside includes this information in its Peace, Safety, and Morals Title 9 in a chapter that more broadly addresses limitations on continuous and cumulative occupancy.
- Sacramento has a section addressing hotel guest registers in a separate chapter under its Business License and Regulations Title 5, similar to Stockton.

The following is a summary review of the City's Hotel Guest Registers Chapter 5.44 ordinance with recommended updates.

SUMMARY OF HOTE GUEST REGISTERS CHAPTER 5.44			
Section	Stockton Ordinance	Peer Ordinance Analysis	Recommendation
<b>Section 5.44.010</b> <b>Words and phrases defined</b>	Defines guest, and the hotel, motel auto court, and/or place intended for guest use for sleeping purposes.	There are somewhat consistent definitions across peers.	No updates recommended.
<b>Section 5.44.020</b> <b>Hotel etc., guest registers</b>	<p>Outlines the required information to register a guest and members of the guest party, including:</p> <ul style="list-style-type: none"> <li>• Name</li> <li>• Address</li> <li>• Number of rooms rented</li> <li>• Check-in and check-out dates</li> <li>• Form of government-issued identification</li> </ul>	Of the four peers who also reference guest registers, two have sections that are more simplified (Bakersfield, and Sacramento) and two that are more comprehensive (Fresno and Riverside).	<p>Consider whether the following updates would be beneficial to the City:</p> <ul style="list-style-type: none"> <li>• Require that register records be made available for one year</li> <li>• Prohibitions against use of fictitious names, or altering register records</li> </ul>
<b>Section 5.44.020</b> <b>Guest register to be open for inspection</b>	Requirement to make the guest register available upon request and with the information specified in 5.44.020.	Consistent across peers that include sections for registers.	No updates recommended.



## D. SHORT-TERM RENTALS

### STR Ordinance

5.	Observation	Currently, the City does not assess STRs. The City's renewal option includes the addition of STR assessments by the end of 2024. Five of seven peer cities address STRs within their city ordinance.
	Recommendation	The City can consider future adoption of an ordinance regulating STRs as this lodging option becomes more popular, but should evaluate staff capacity to enforce a future policy.

STRs have existed for several decades, but widespread usage increased significantly with the advent of businesses such as Airbnb and VRBO. STRs are widely defined as a house, condominium, or apartment that is rented for a fee for fewer than 30 consecutive nights. While the market was severely impacted during the COVID-19 pandemic, STR popularity has risen as travel returns to pre-pandemic levels. These rentals generate substantial revenue and increase demand for municipal services such as waste management, infrastructure maintenance, and public safety. The lack of regulation and oversight of STRs can also lead to growing issues related to noise complaints, parking problems, and neighborhood disruptions. It also has an adverse impact on the City's historical homes. Assessing STRs is important because it ensures that all lodging establishments contribute fairly to the local economy through taxes. By assessing STRs, the City can capture a significant source of tax revenue that would otherwise be untapped, helping to fund essential services.

Five of seven peer cities address STRs within their municipal code to varying degrees, summarized as follows:

- **Bakersfield:** Though not in the ordinance, STRs are not permitted in the City. Properties listed/advertised on a vacation rental marketplace are subject to TOT fees at the county level.
- **Elk Grove:** The City of Elk Grove requires any person operating an STR to secure an STR license. The procedures to secure a license, grounds for revocation, and standards for operations among other provisions are outlined in Chapter 4.38<sup>4</sup>. This chapter of the city's municipal code is within Title 4 for Business Regulation.
- **Fresno:** Similar to Elk Grove, the City of Fresno also requires operators of STRs to obtain a special permit. Section 7-1249<sup>5</sup> outlines the procedures to secure a permit. The parts in the ordinance are core sections that would typically be found in a special permit section including purpose, definitions, application, issuance, prohibitions, revocation, renewal, and violations, among others. This section of the municipal code is located in the article for business licenses.
- **Irvine:** There is a total ban on STRs within the city's ordinance. Chapter 3-25<sup>6</sup> states that rentals and advertising of rentals are prohibited, and that hosting platforms may not complete a booking. Violations of the ordinance are considered a misdemeanor.

<sup>4</sup> <https://www.codepublishing.com/CA/ElkGrove/#!/html/ElkGrove04/ElkGrove0438.html>

<sup>5</sup> [https://library.municode.com/ca/fresno/codes/code\\_of\\_ordinances?nodeId=MUCOFR\\_CH7CIFIRETA\\_ART12BULIICFE\\_S7-1249SHRMRE](https://library.municode.com/ca/fresno/codes/code_of_ordinances?nodeId=MUCOFR_CH7CIFIRETA_ART12BULIICFE_S7-1249SHRMRE)

<sup>6</sup> [https://library.municode.com/ca/irvine/codes/zoning?nodeId=Zoor\\_DIV3GEDESTLAUSRE\\_CH3-25SHTERE](https://library.municode.com/ca/irvine/codes/zoning?nodeId=Zoor_DIV3GEDESTLAUSRE_CH3-25SHTERE)



- **Riverside:** The City of Riverside does not require a permit to operate an STR. The only reference to STRs in the city's ordinance is related to land use and zoning. Chapter 19.443.070<sup>7</sup> simply requires that units created as STRs be rented or leased for a period of less than 30 days, and that a covenant be recorded against the property title to such effect.
- **Sacramento:** Similar to Elk Grove and Fresno, the City of Sacramento requires STR operators to obtain an STR permit. However, Sacramento requires a permit for each dwelling unit. Chapter 5.114<sup>8</sup>, includes sub-articles for general provisions, permitting, regulations, actions on permits, and hosting platform responsibilities.

Establishing an ordinance to address STRs will be important for Stockton. An ordinance can help manage the growing sector of the sharing economy, ensure the safety and well-being of residents and visitors, and maintain the character and stability of residential neighborhoods. However, it's critical that the City consider the enforceability of such an ordinance and its impact on City staff. An effective ordinance should be clear, practical, and enforceable, with defined roles and responsibilities for all parties involved. The City should also consider the resources needed to enforce the ordinance, as a lack of enforcement could lead to non-compliance, undermining the purpose of the ordinance. Therefore, while it's important to regulate STRs for the benefit of the community, it's equally important to ensure that the ordinance is designed in a way that is manageable for City staff and enforceable in a practical manner. A review of best practices<sup>9,10</sup> outlines a framework to guide policy development to regulate STRs:

1. **Understand the Community.** It's important to first determine what, if any, specific issues related to STRs are trending within the City. Engaging with the City's TBID, neighborhood associations, or other groups can help the City understand the current STR landscape to help inform policy objectives that address current and future needs.
2. **Develop explicit policy objectives.** The City and relevant stakeholders should agree on a clear set of policy goals they want to achieve through STR regulation. This could be preserving affordable housing, minimizing nuisance issues, or encouraging tourism. The Granicus guide<sup>11</sup> provides examples of policy objective considerations based on neighborhood type, such as communities with affordable housing shortages, communities with a struggling downtown, or tourist destinations with a more traditional vacation rental structure.
3. **Adopt enforceable regulations.** The regulations should be designed in a way that can be practically enforced, rather than adopting complicated rules that are hard to monitor and enforce. The goal of the policy should be to not place undue burden on City Staff in terms of monitoring, enforcement, and administration.
4. **Include viable regulatory approaches.** Viable regulatory tools like permitting (as required by Elk Grove, Fresno, and Sacramento), occupancy limits, parking requirements, and fine structures can be used to achieve the policy objectives.

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<sup>7</sup>[https://library.municode.com/ca/riverside/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_TIT19ZO\\_ARTVIISPLAUSPR\\_CH19.443TITDE\\_19.443.070ADRE](https://library.municode.com/ca/riverside/codes/code_of_ordinances?nodeId=PTIICOOR_TIT19ZO_ARTVIISPLAUSPR_CH19.443TITDE_19.443.070ADRE)

<sup>8</sup> [https://codelibrary.amlegal.com/codes/sacramentoca/latest/sacramento\\_ca/0-0-0-13954#JD\\_Chapter5.114](https://codelibrary.amlegal.com/codes/sacramentoca/latest/sacramento_ca/0-0-0-13954#JD_Chapter5.114)

<sup>9</sup> Granicus. "A Practical Guide To Effectively Regulating Short-Term Rentals on the Local Government Level." [https://granicus.com/pdfs/Whitepaper\\_-\\_A-practical-guide-to-effectively-regulating-short-term-rentals-on-the-local-government-level.pdf](https://granicus.com/pdfs/Whitepaper_-_A-practical-guide-to-effectively-regulating-short-term-rentals-on-the-local-government-level.pdf)

<sup>10</sup> National League of Cities. "Short-Term Rental Regulations: A Guide for Local Governments." <https://www.nlc.org/resource/short-term-rental-regulations-a-guide-for-local-governments/>

<sup>11</sup> [Granicus. "A Practical Guide To Effectively Regulating Short-Term Rentals on the Local Government Level."](https://granicus.com/pdfs/Whitepaper_-_A-practical-guide-to-effectively-regulating-short-term-rentals-on-the-local-government-level.pdf)



5. **Consider sustainable enforcement.** Monitoring STRs can be extremely challenging. Considering the number of sites that require administering and enforcing permits ongoing monitoring, and regulating any collection of TOT taxes is often too much for a City department alone to manage. Most often, cities outsource enforcement to specialized firms that can leverage technology and data to cost-effectively identify and address violations.

## E. ORDINANCE ADMINISTRATION

This section's observations and recommendations address administering and operating the processes guided by the City's hotel, motel, lodging, and rooming house ordinances. It addresses areas of overlap, gaps, or opportunities to support improved service delivery.

### Enforcement

6.	<b>Observation</b>	<b>The City's Code Enforcement team responsible for the hotel/motel program is struggling with operational inefficiencies driven by understaffing, lack of systems, and unstandardized processes.</b>
	<b>Recommendations</b>	<p><b>A. Continue adoption of Comcate Code enforcement Software to manage citations, scheduling, and reporting.</b></p> <p><b>B. Continue targeted recruitment efforts to fill vacancies in staffing.</b></p> <p><b>C. Consider adopting a Hotel Risk form to standardize the inspection grading process and what might qualify a hotel/motel for additional inspections.</b></p>

Stockton's Code Enforcement division (the Division) is responsible for several aspects of the hotel/motel lifecycle:

PROCESS	DESCRIPTION
<b>Permits</b>	<ul style="list-style-type: none"> <li>Receive, review, and approve or deny operator and manager permit applications (this is different than the business license and the TOT registration).</li> <li>Coordinate with San Joaquin County, Fire, and Police for each division's respective inspections and to complete a background check.</li> <li>Participate in the Hotel Advisory Committee to review and approve applications.</li> <li>Process permit renewals on an annual basis.</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>Manage the collection of fees and fines (does not include collection of the TOT tax).</li> <li>Work with the Tax Collector to apply delinquent fines to a hotel/motel's property tax.</li> </ul>
<b>Inspections</b>	<ul style="list-style-type: none"> <li>Conduct annual inspections. If violations are found during inspections, the frequency may increase to quarterly or more, depending on the severity and location of the violations.</li> </ul>

The most significant issues facing the City's code enforcement team are persistent vacancies. Currently, one Senior Inspector and the Police Services Manager are responsible for managing permit applications, reviews, approvals, renewals, fee collection, and inspection for the City's 40 hotels. The Division has designed the process to batch renewals and inspections by quarter so that the work can be dispersed across the year. Interviewees note that this method functions well and that



the division has fallen into a somewhat predictable rhythm of work. If the volume of work were to increase, the team would be quickly overwhelmed.

Long-term, there are concerns about the division's capacity to manage the entire program, especially with the potential addition of STR oversight. The Division has the positions within its budget and should continue to support recruitment efforts. HR and the Division could work collaboratively to review job descriptions, assess compensation, or consider creative incentives to attract applicants.

As noted in the [Hotel/Motel Permitting Ordinance Review](#) section, inspection responsibilities vary widely across peers. Some cities rely on both county and city inspections, some cities only conduct building and fire code inspections and counties conduct health inspections, some outsource inspections to a third party, and some (like Stockton) manage full inspection in-house. There is no general best practice to follow, but if Stockton continues to experience staffing shortages or encounters issues effectively managing inspections, it can consider alternatives.

The high volume of interdepartmental coordination involved in hotel/motel ordinance administration requires significant time. Interviewees note that the division often spends a significant amount of time following up with other divisions (e.g., San Joaquin County, Fire, Police, and Administrative Services) to review, approve, or gather information related to applications, fees, and inspections. This is mainly due to recent system deficiencies. At the time of this report, the City was in the process of adopting Comcate Code Enforcement Software to help manage citations, scheduling, and reporting. By improving communication channels and streamlining the process of information exchange, the division could potentially increase its efficiencies to support the program.

The Division is also meant to be responsible for holding the required manager's training. Overall staff limitations and outdated equipment have meant that training has not been held within the last 5–6 years. The [Hotel/Motel Permitting Ordinance Review](#) section notes that no other peers require the City to provide training, and only one other peer requires any kind of training for hotel/motel employees. The recommendation is to remove this requirement from the ordinance. If the requirement is retained, the City should consider shifting the responsibility for training to the operator or a third party.

### ***Risk Assessment***

Stockton inspects hotels annually, but if violations are found, the frequency of inspections can increase to quarterly or more. Interviewees note that the criteria for what constitutes a violation severe enough to trigger more frequent inspections are not clearly defined. This lack of clarity can lead to inconsistencies in how different hotels are treated and can potentially create confusion or perceived unfairness among hotel owners and managers. Establishing clearer, more objective criteria for what triggers more frequent inspections would help to standardize the process and ensure fairness.

Kern County has an established risk assessment process for hotels/motels that helps outline escalating measures for both the frequency of inspections as well as fines. The risk assessment for hotels in the county is a systematic process that categorizes hotels based on the level of risk they pose. This process begins with the completion of a Risk Form ([Appendix E](#)), which is filled out annually during routine inspections. Each May, the hotel's file is pulled for review.





Hotels are categorized into three risk levels: low, medium, and high. A hotel's risk level dictates the percentage of rooms reviewed during inspections; low-risk hotels have 25% of their rooms inspected, medium-risk hotels have 50% of their rooms inspected twice a year, and high-risk hotels have 100% of their rooms inspected three times a year.

The risk level also impacts permit fees (i.e., high-risk hotels have higher permitting fees). The ultimate aim is not to deter hotel owners, but to help identify deteriorating properties. Frequent visits allow for tracking trends and identifying common issues such as sewage problems, trash accumulation, or fire risks. This approach is more preventative, aiming to address issues before they escalate. High-risk hotels are often the first ones to be fully closed due to potential hazards. Currently, there is only one high-risk hotel in the county, with around 80–100 hotels categorized as medium- or moderate-risk.

## TOT Administration

<b>7.</b>	<b>Observation</b>	<b>The City currently operates with heavy use of paper. Efforts to digitize processes have been taken but still have not surpassed traditional methods.</b>
	<b>Recommendations</b>	<ul style="list-style-type: none"> <li><b>A. Continue efforts to digitize information collection, management, and reporting.</b></li> <li><b>B. Evaluate opportunities to shift TOT collections to an outsourced provider.</b></li> </ul>

Interviewees note that the TOT reporting and remitting processes operate somewhat effectively, but are heavily reliant on manual processes, static spreadsheets, and paper-based forms, which contribute to operational inefficiencies and challenges with proactively tracking and managing payments and data. It also contributes to challenges sharing information cross-functionally.

Reporting and remitting TOT taxes begins with a TOT and TBID Assessment form physically mailed to hotel/motels on the registered list every quarter. The City has developed a matrix of which hotels to contact per quarter so that not all forms and payments are processed at the same time. These establishments then have 30 days to submit their form and pay the taxes due. The options to submit are limited to in-person or mail-in, which can be inconvenient and time-consuming for the hotels/motels. The forms and payments are received by the Permit Center and provided to the Finance department to enter into TylerMunis. Tracking of quarterly assessments is also a manual process, maintained through an Excel spreadsheet that is color-coded to indicate the status of the TOT remittance (represented below for illustrative purposes).



TRANSIENT OCCUPANCY TAX & TOURISM BUSINESS IMPROVEMENT DISTRICT																			
New District Established 07/16/2020																			
Revision No. 0204-0000-0001 09/01/2021 02/10/2022																			
TDD: 6500.4142000.270.052.00.00.000.000																			
TRD:LA:TRANSIST: 6500.4142000.270.052.00.00.000.000																			
1st QUARTER 2022																			
CITY	COUNTR	L.C.#	ACCT#	HOTEL NAME	ADDRESS	1st QUARTER 2022		Net Taxable Rooms	TDD Totals 4%	Late Fee 10% < 28%	Interest 0.5% per month	City Admin Fee 3%	Penalty Admin Fee 30%	Quartry Paid to SCD	Bonds Collected	Late 30 Day	Days 3		
						Bonds Collected	Less 30 Day Bonds												
7838	0224	02004	ALHAMBRA HOTEL	605 E EL DORADO ST	1	46,640.00	33,200.00	13,440.00	417.90	-	-	437.60	-	448,023.3	12.53	-	4,025.07	14,500.00	44,500.00
7839	0224	02004	FAIRVIEW HOTEL	150 W 14TH STREET	1	95,785.00	-	36,181.00	1,117.24	-	-	3,617.72	-	5,950.53	18.83	-	1,022.00	14,500.00	14,500.00
7845	0205	02003	BEST WESTERHERITAGE INN	112 E MARSHALL	1	955,785.00	-	362,785.00	3,084.74	-	-	1,142.54	-	5,950.53	1,162.54	-	1,500.00	1,500.00	-
7849	0205	02010	BLUCCET INN	107 N WALTON WAY	1	33,784.27	25,020.00	7,764.27	307.57	-	-	261.77	0.00	5,950.53	5.95	-	301.25	301.25	25,020.00
7852	0205	02004	BLUCCET P&L SUITES	147 N MARSHALL	1	37,025.62	-	312,705.62	12,309.22	-	-	14,206.24	0.00	5,950.53	447.25	-	14,206.24	-	12,309.22
ENR3	ENR3	ENR3	BLUCCET HOTEL	107 E DORADO ST	1	10,545.00	4,500.00	6,045.00	241.80	-	-	341.80	-	5,950.53	5.95	-	230.45	230.45	4,500.00
ENR6	ENR6	ENR6	CORP HOTEL	100 N WALTON WAY	1	30,323.00	24,420.00	5,903.00	236.80	-	-	236.80	-	4,900.00	4.90	-	232.90	232.90	24,420.00
7841	ENR8	ENR8	COSSAS HOTEL	141 E SAN JOAQUIN ST	1	1,500.00	1,500.00	-	-	-	-	-	-	5,950.53	5.95	-	5.95	5.95	1,500.00
7861	ENR9	ENR9	COURTYARD BY MARRIOTT	152 N MARSHALL	1	1,063,324.00	-	1,063,324.00	42,933.36	-	-	42,933.36	-	5,950.53	1,276.00	-	41,257.36	-	1,276.00
7863	ENR4	ENR4	CREST HOTEL	133 N WALTON WAY	1	67,450.99	53,900.00	13,550.99	530.44	-	-	530.44	0.00	5,950.53	3.07	-	231.43	231.43	53,900.00
7874	EN27	EN24	DRAWING SUBSMM	802 THOMPSON RD	1	97,704.25	-	92,295.25	3,691.70	155.84	17.30	399.15	-	1,900.00	399.15	45.40	399.15	399.15	92,295.25
7828	EN42	EN20	ECONORTEL	144 EEL DORADO ST	1	362,625.43	166,250.00	196,375.43	1,776.02	-	-	1,776.02	0.00	5,950.53	17.28	-	568.74	568.74	166,250.00
7827	EN42	EN20	ELECTRIC COOKING	129 N WALTON WAY	1	40,820.00	23,500.00	17,320.00	693.60	-	-	693.60	-	5,950.53	5.95	-	693.60	693.60	23,500.00
ENR4	ENR4	ENR4	F&W/ENR/ST/AMERICA	1000 E DORADO ST	1	252,277.52	243,374.51	8,903.01	576.15	-	-	576.15	-	5,950.53	5.95	-	576.15	576.15	243,374.51
ENR4	ENR4	ENR4	F&W/ENR/ST/AMERICA	1000 E DORADO ST	1	246,774.76	237,771.75	9,003.01	2,361.26	-	-	2,361.26	0.00	5,950.53	7.91	-	2,379.17	2,379.17	237,771.75
ENR4	ENR4	ENR4	F&W/ENR/ST/AMERICA	1000 E DORADO ST	1	246,699.20	193,174.91	53,524.29	4,374.91	-	-	4,374.91	0.00	5,950.53	311.27	-	4,374.91	4,374.91	193,174.91
ENR4	ENR4	ENR4	HAMPSON INN STOCKTON	1000 ARCHWAY	1	1,053,837.00	52,254.94	1,001,582.06	73,205.71	-	-	14,206.74	0.00	5,950.53	2,227.97	-	12,078.74	-	2,059,317.00
ENR4	ENR4	ENR4	THE TONY HOTEL	1000 ARCHWAY	1	1,053,837.00	52,254.94	1,001,582.06	73,205.71	-	-	14,206.74	0.00	5,950.53	2,227.97	-	12,078.74	-	2,059,317.00
ENR4	ENR4	ENR4	HICKORY INN EXPRESS	5045 STATE ROUTE 99	1	800,758.71	40,055.00	760,683.71	30,427.15	-	-	30,427.15	-	5,950.53	310.63	-	23,516.52	-	390,517.20
ENR4	ENR4	ENR4	THE TONY HOTEL	1000 ARCHWAY	1	-	-	-	-	-	-	-	-	5,950.53	-	-	-	-	-
ENR4	ENR4	ENR4	LA CASA INN (STOCKTON)	1315 CENTER ST	1	852,474.67	-	852,474.67	22,089.99	-	-	22,089.99	0.00	5,950.53	662.92	-	21,427.07	-	763,230.95
ENR4	ENR4	ENR4	LA QUINCY B&B STOCKTON	170 N MARSHALL	1	243,255.99	25,000.00	218,255.99	1,822.20	2,873.12	143.86	31,248.36	0.00	5,950.53	303.36	900.00	31,248.36	31,248.36	218,255.99
ENR4	ENR4	ENR4	MATAYAL LLC	171 N WALTON WAY	1	29,819.90	29,819.90	-	-	-	-	-	-	8,900.00	-	-	-	-	29,819.90
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	22,000.00	22,000.00	-	-	-	-	-	-	8,900.00	-	-	-	-	22,000.00
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-	-	15,184.95	0.00	5,950.53	453.48	-	14,015.00	-	441,035.63
ENR4	ENR4	ENR4	MOTEL 6	129 N WALTON WAY	1	377,833.72	-	377,833.72	15,184.95	-</									



- **Expertise:** The City should consider the level of expertise and experience the outsourcing company has in TOT collection. The company should have a thorough understanding of the laws and regulations surrounding this tax.
- **Compliance:** The City should consider the company's ability to ensure compliance with all relevant laws and regulations. This includes their ability to handle audits and provide necessary documentation.
- **Security:** The outsourcing company should have robust security measures in place to protect sensitive data. This includes measures to prevent data breaches and ensure the privacy of individuals and businesses.
- **Customer Service:** The company should provide excellent customer service to both the City and the taxpayers. This includes clear communication, responsiveness to inquiries, and the ability to resolve issues quickly and effectively.
- **Scalability:** The City should consider whether the company can scale its services if the volume of TOT collection increases.
- **Contract Terms:** The City should carefully review the terms of the contract, including the length of the contract, cost, services included, and terms for termination.

By considering these factors, the City can make an informed decision about whether outsourcing TOT collection is the right move.



## APPENDIX A: PEER CITY OVERVIEW

	STOCKTON	BAKERSFIELD	ELK GROVE	FRESNO	IRVINE	LODI	RIVERSIDE	SACRAMENTO
<b>Population</b>	321,819	410,647	177,558	545,567	313,685	67,258	320,764	528,001
<b>Tourism Business Improvement District</b>	Yes; Stockton Tourism Business Improvement District (STBID)	N/A	Yes; Elk Grove Tourism Marketing District (EGTMD)	Yes; Fresno/Clovis Tourism Business Improvement District (FCTBID)	Yes; Hotel Improvement District (HID)	Yes; Lodi Tourism Business Improvement District (LTBID)	N/A	Yes; Sacramento Tourism Marketing District (STMD)
<b>Number of Hotels/Motels (Approximate)</b>	43	60	7	80	25	12	34	125



## APPENDIX B: TRANSIENT OCCUPANCY TAX – CHAPTER 3.28 ANALYSIS

STOCKTON		PEER SUMMARY						
		Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Transient Occupancy Tax Chapter 3.28		Transient Occupancy Chapter 4.	Uniform Transient Occupancy Tax Chapter 3.08	Transient Room Tax Chapter 7, Article 6	Transient Occupancy Chapter 4	Transient Occupancy Tax Chapter 3.12	Transient Occupancy Tax Chapter 5.32	Uniform Transient Occupancy Tax Chapter 3.28
Section 3.28.020 Definitions	The ordinance defines key terms like “hotel,” “occupancy,” “operator,” “person,” “rent,” and “transient.”	Similar to Stockton, but with more emphasis on “lodging.”	Definitions are nearly identical to Stockton’s.	Definitions are more extensive and include terms like “campground.”	More robust hotel definition. Fewer definitions, but more focused on “operator” and “transient.”	Similar definitions, but includes additional terms like “bed and breakfast.”	Includes unique terms like “recreational vehicle park.”	Similar definitions with slight variations in wording.
Section 3.28.030 Tax imposed	A tax of 8% of the rent is imposed on transients for the privilege of occupancy in any hotel.	Different rate (12%). Not materially different provisions. Separate section within the ordinance to address exemptions.	Different rate (12%). Identical provisions. Separate section within the ordinance to address exemptions.	Rates are set in the Master Fee Resolution (currently 12%). Provisions in this section also apply to collection of a duly authorized TBID assessment. Separate section within the ordinance to address exemptions.	Same rate (8%). Not materially different provisions. Additional 2% charged to HID (not in the ordinance). Separate section within the ordinance to address exemptions.	Different rate (6%). Not materially different provisions.	Different rate (13%). Separate section within the ordinance to address exemptions.	Tax imposed generally (7%). Additional taxes by year are outlined under “Additional tax” sections and include both limited-duration levies and ongoing tax increases. Separate section within the ordinance to address exemptions.
Section 3.28.040 Operator’s duties	Operators must collect the tax from transients and separately state it from the rent charged.	Called the “Collection of Tax.” Outlines procedures for the operator to request a refund from the city and return the tax collected to an occupant that stays longer than 30 consecutive days. Additional sections within the ordinance to address: <ul style="list-style-type: none"> <li>• “Enjoining Collection Forbidden”</li> </ul> “Action to challenge validity”	Not materially different provisions.	Not materially different provisions. Additional section titled “Collection of Tax by Operator; Rules for Collection Schedule” outlines the requirements for operators to collect the tax, holding the tax in trust for the city and transferring it as specified in the ordinance, with the Tax Administrator enforcing the ordinance and setting payment schedules.	Not materially different provisions.	Called the “Collection by Operators.” Not materially different provisions.	Not materially different provisions.	Not materially different provisions. Includes restrictions on advertising, stating that the tax will be assumed or absorbed by the operator.
Section 3.28.050 Registration	Operators must register their hotels with the Tax Administrator and obtain a transient occupancy registration certificate within 30 days of the effective tax or 30 days after commencing the business.  The certificate must include the:	N/A	Within 60 days after the effective date of the ordinance or 30 days after commencing the business.  Certificate information is the same as Stockton.	Within 15 days of commencing the business, or after July 15, 1964.  Certificate information is the same as Stockton.  Ordinance includes additional signatory, issuance, and other additional information.	Within 30 days of commencing the business.  Certificate information is the same as Stockton.	Same registration deadline requirements as Stockton.  Certificate information is the same as Stockton.	No registration deadline: “It shall be unlawful to operate a hotel without a transient occupancy registration permit...”  Includes registration fee information.  Includes signatory authority.	N/A



STOCKTON		PEER SUMMARY						
		Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
	<ul style="list-style-type: none"> <li>Name of operator</li> <li>Address of the hotel</li> <li>Date the certificate was issued</li> <li>Statement certifying registration</li> </ul>						Certificate information is the same as Stockton.	
Section 3.28.060 Security for collection of tax	<p>The Tax Administrator may require operators to deposit security to ensure compliance with tax payment requirements. The security amount shall be equal to an amount not greater than twice the person's estimated average liability for the first period for which a return must be filed, or the sum of \$10,000.00, whichever is less.</p> <p>Includes obligations of tax liability clearance in the event an operator stops, sells, or transfers the business.</p>	<p>Same security amount stipulations.</p> <p>Enables the city to sell the security at auction.</p> <p>Successor liabilities are addressed in the following separate sections:</p> <ul style="list-style-type: none"> <li>Successor or Assignee of Business to Withhold Tax From Purchase Money—Certificate of No Tax Due</li> <li>Liability of Successor or Assignee for Tax—Issuance of Certificate</li> </ul>	<p>The section "Lien-Recordation of certificate-Notice of pendency of action" enables the city's tax collector to file a lien with the county that creates a legal claim on the person's property for the owed taxes. This claim lasts for 10 years and can be renewed.</p> <ul style="list-style-type: none"> <li>Successor liabilities are addressed in the Successor Liability section.</li> </ul>	<p>Same security amount stipulation.</p> <p>Sets limitations of three years by which the city can impose a security.</p> <p>Same as Stockton; includes obligations of tax liability clearance in the event an operator stops, sells, or transfers the business.</p> <p>The section "Penalties and Interest" (below) addresses:</p> <ul style="list-style-type: none"> <li>Liens and collection</li> <li>Warrant for collection</li> <li>Seizure and sale</li> <li>Combining actions</li> </ul>	<p>The section "Actions to Collect Taxes and Enforcement of Liens" includes:</p> <ul style="list-style-type: none"> <li>Recording of a certificate of lien: There is no limit to the time in which the city may record a lien. The Lien can be renewed every 10 years.</li> <li>Warrant for collection of tax: The county sheriff may be engaged to enforce the lien.</li> <li>Seizure and sale: The Director of Administrative Services may seize any property to collect the delinquent amount.</li> </ul> <p>Successor liabilities are addressed in the following separate sections:</p> <ul style="list-style-type: none"> <li>Duty and Liability of Successor Operator</li> <li>Issuance of Occupancy Tax Clearance Certificate</li> </ul>	<p>N/A – Security/Lien Ordinance.</p> <p>Successor liabilities are addressed in the following separate sections:</p> <ul style="list-style-type: none"> <li>Sale or Transfer</li> <li>Successor Liability</li> </ul>	<p>Municipal code contains the following sections related to ensuring payment of tax to the city:</p> <ul style="list-style-type: none"> <li>Recording Certificate – Lien</li> <li>Priority and Lien of Tax</li> <li>Warrant for Collection of Taxes</li> <li>Seizure and Sale</li> </ul> <p>It also includes separate sections describing successor liabilities:</p> <ul style="list-style-type: none"> <li>Successor's Liability – Withholding by Purchaser</li> <li>Liability of Purchaser – Release</li> </ul>	N/A – Security/Lien Ordinance
Section 3.28.070 Reporting and remitting	Operators must make quarterly returns to the Tax Administrator on or before the last day of the month following the close of each quarter and remit the full amount of tax collected.	Tax is collected monthly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods.	Tax is collected monthly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods.	Tax is collected quarterly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods. Allows an operator to request an extension to file a payment.	Tax is collected monthly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods. Includes reporting and remitting requirements	Tax is collected quarterly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods.	Tax is collected monthly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods.	Tax is collected quarterly. Similar powers of the tax administrator or equivalent position to impose shorter collection periods. Includes reporting and remitting requirements



STOCKTON		PEER SUMMARY						
		Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
	The Tax Administrator may collect more frequently.				upon cessation of the business.			upon cessation of the business.
Section 3.28.080 Penalties and interest	<p>Operators face penalties and interest for failing to timely remit taxes:</p> <ul style="list-style-type: none"> <li>• First delinquency: Tax amount plus 10%.</li> <li>• Continued delinquency: Tax amount plus 10%.</li> <li>• Fraud: 25% of tax in addition to the penalties above.</li> <li>• Interest: 0.5% per month of the tax exclusive of the penalties.</li> <li>• Penalties merged: Every penalty and such interest accrues until the tax is paid.</li> </ul>	<p>Same delinquency penalties stipulations as Stockton.</p> <p>No additional interest.</p> <p>No penalty assigned for instances of fraud.</p>	<p>Identical delinquency, fraud, and interest penalties.</p> <p>Identical allowability to merge penalties.</p>	<p>Identical delinquency and fraud penalties.</p> <p>Similar interest penalty (1%).</p> <p>Identical allowability to merge penalties.</p>	<p>Identical delinquency and fraud penalties.</p> <p>Different interest penalty (prime rate plus 2% per annum).</p> <p>Identical allowability to merge penalties.</p>	<p>Identical delinquency, fraud, and interest penalties.</p> <p>Identical allowability to merge penalties.</p>	<p>Delinquency:</p> <ul style="list-style-type: none"> <li>• 1 day: 10%</li> <li>• 30 days: 25%</li> <li>• 60 days: 50%</li> </ul> <p>Interest is accrued at 1% per month.</p> <p>Fraud penalties are a separate section and 100% of the tax amount, in addition to the penalties above.</p>	<p>Identical delinquency, fraud, and interest penalties.</p> <p>Identical allowability to merge penalties.</p>
Section 3.28.090 Failure to collect and report tax	<p>The Tax Administrator can determine the tax due if an operator fails to collect and report it.</p> <ul style="list-style-type: none"> <li>• An operator may apply for a hearing on the amount assessed within 10 days of the notice.</li> <li>• The Tax Administrator must respond within five days.</li> <li>• The amount determined to be due shall be payable after 15 days unless there is an appeal.</li> </ul>	<p>Same investigation and notification protocols.</p> <p>The amount payable is due within 15 days.</p> <p>The ordinance does not include a provision for a hearing.</p>	<p>Same investigation, similar notification protocols.</p> <p>Notification may be done personally or by first-class certified mail, return receipt requested.</p> <p>Same provision for hearings, response by the Tax Administrator, and payment due (15 days).</p>	<p>Titled “Deficiency Determinations.”</p> <p>Same investigation protocols.</p> <p>Similar notification protocols.</p> <p>Payment is due immediately, and if not paid within 10 days is subject to penalties.</p> <p>There is no provision for hearings; however, an operator may file for a redetermination. The section titled “Redeterminations” includes:</p> <ul style="list-style-type: none"> <li>• Petition deadline: 30 or 10 days</li> <li>• Authority of the Tax Administrator to redetermine</li> </ul> <p>Prohibitions for any injunction or other legal process may enjoin the collection of taxes</p>	<p>Identical provisions.</p> <p>Carried out by the Director of Administrative Services rather than the Tax Administrator.</p>	<p>Identical provisions.</p>	<p>Identical provisions.</p>	<p>Identical provisions.</p>
Section 3.28.100 Appeal	Operators can appeal the Tax Administrator’s determinations to the City Council.	N/A	Appeals pursuant to EGMC Chapter 1.18—Tax and Fee Appeals.	Appeals are described under Chapter 1, Article 4: General Administrative Hearing Procedures.	Identical provisions.	Identical provisions.	Similar provisions. Includes a deadline of not less than 10 days and not more than 30 by which the	Identical provisions.



STOCKTON		PEER SUMMARY						
		Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
	<ul style="list-style-type: none"> <li>• Appeals can be made within 15 days.</li> <li>• Hearings are held in front of City Council.</li> <li>• Payment is due immediately upon determination (as applies).</li> </ul>		<ul style="list-style-type: none"> <li>• Appeals can be made within 14 days.</li> <li>• Additional provisions are outlined in the full chapter.</li> </ul>	<ul style="list-style-type: none"> <li>• Appeals can be made within 15 days.</li> </ul> <p>Additional provisions are outlined in the full chapter.</p>			<p>City Clerk must set a hearing.</p> <p>Includes a notification deadline upon determination of three days.</p> <p>Hearings are held in front of the Financial Performance and Budget Committee.</p>	
Section 3.28.110 Records	Operators must keep records for three years to determine their tax liability.	Identical provisions.	Identical provisions.	<p>Included within the "Administration" Section of the chapter.</p> <ul style="list-style-type: none"> <li>• Records must be retained for 3.5 years.</li> <li>• Authorization to inspect records must be done in writing.</li> </ul>	<p>Records must be retained for four years.</p> <p>Identical right to inspect records.</p> <p>Clarification that this section does not limit the ability of the city of collect on taxes after four years.</p>	Identical provisions.	<p>Records must be retained for three years.</p> <p>More prescriptive rights of the Tax Administrator to inspect records.</p>	Identical provisions.
Section 3.28.120 Refunds	Procedures are provided for obtaining refunds of overpaid, duplicate, or erroneously collected taxes by either an operator or a transient. Claims must be filed within three years.	<p>Simplified provisions.</p> <p>The ordinance does not distinguish between a transient or an operator filing the claim.</p> <p>Claims must be filed within one year.</p>	Identical provisions.	<p>Simplified provisions.</p> <p>The ordinance does not distinguish between a transient or an operator filing the claim.</p> <p>Same three-year limit to file a claim.</p>	Identical provisions.	Identical provisions.	Identical provisions.	<p>Nearly identical provisions.</p> <p>Claims must be filed within one year.</p>
Section 3.28.130 Actions to collect	Unpaid taxes are debts owed to the City that can be recovered through legal action.	N/A	Identical provisions.	<p>Part A contains identical collections provisions.</p> <p>The section is inclusive of security mechanisms (outlined above in Security).</p>	Identical provisions.	Identical provisions.	<p>Titled "Responsibility for Payment."</p> <p>Not materially different provisions.</p>	Identical provisions.
Section 3.28.140 Violations	<p>It is unlawful to fail to register, file returns, or provide truthful information as required by the ordinance.</p> <p>Does not qualify violations of the ordinance as a misdemeanor or other.</p>	<p>Somewhat addressed in the Enforcement section of the ordinance.</p> <p>Any violation of any provision is a misdemeanor.</p> <p>Identifies the officers or employees empowered to enforce the ordinance.</p> <p>These individuals can arrest without warrant, but with reasonable cause violators.</p>	<p>Similar provisions.</p> <p>Violations are considered a misdemeanor.</p> <p>Violators are subject to punishments set forth in <u>EGMC Chapter 1.04</u></p>	<p>Identical provisions.</p> <p>There is a separate section titled "Misdemeanor," establishing violations as misdemeanors, punishable by a fine of not more than \$500, or by imprisonment in the county jail for a period of not more than six months, or by both.</p>	<p>Similar provisions.</p> <p>Violations are considered a misdemeanor.</p> <p>Violators are subject to punishments set forth in <u>Title 4, Division 13.</u></p>	<p>Similar provisions.</p> <p>Violations are considered a misdemeanor.</p>	<p>Similar provisions.</p> <p>Violations are considered a misdemeanor.</p> <p>The commencement of criminal proceedings does not preclude administration of civil action to collect taxes due.</p>	<p>Similar provisions.</p> <p>Violations are considered an infraction.</p> <p>Violators are subject to punishments set forth in Government Code Section 36900(b).</p>





## APPENDIX C: HOTEL, MOTEL, AND RESIDENTIAL HOTEL/MOTEL PERMIT ORDINANCE – CHAPTER 5.80 ANALYSIS

STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
Section 5.80.020 Purpose	The purpose is to require permits to operate hotels, motels, and residential hotels/motels; establish standards for issuing those permits; and provide rules and regulations for suspending or revoking the permits.	N/A	No separate hotel/motel operating permit required.  Business License Requirements defined in: <a href="#">General Provisions for Business License—Chapter 4.02</a>	No separate hotel/motel operating permit required.  Business License Requirements defined in: <a href="#">General Provisions, Article 10</a>	No separate hotel/motel operating permit required.  Business License Requirements defined in: <a href="#">General Services—Businesses, Division 18</a>	No separate hotel/motel operating permit required.  It's unclear which business license requirements hotels and motels are required to obtain. Business Permits and Regulations are captured in <a href="#">Title 5</a> of the City's ordinance. The ordinance contains guidance for special permits for businesses such as cardrooms, bingo, pedicabs, etc. Hotels and motels are not included in any of these special permit ordinances.  Within the special permit ordinances are references to the City's Business License code 5.04, which is not present.	The City's Business Taxes, Licenses, and Regulations, <a href="#">Title 5</a> also contains the City's Transient Occupancy Tax Ordinance.  As such, the City's TOT ordinance is significantly more robust than Stockton's TOT, also containing sections relating to Stockton's Hotel/Motel permitting ordinance.	Hotel/motel operators are required to obtain a business operation tax certificate as outlined in <a href="#">Chapter 3.08—Business Operations Tax</a> .  There are additional or special sub-sections to the ordinance for hotels/motels.
Section 5.80.030 Definitions	Defines key terms used throughout as expected, hotel, motel, manager etc. Additional definitions include specific amenities such as bed, bathroom, kitchen, and pest control and room charges.	Significantly simplified.  Definitions are restricted to hotel, transient, and person.				The City is actively working to adopt a revised business license program and fees.  The program will be presented to the City Council for consideration on February 21, 2023. Additional guidance is anticipated throughout 2024.  Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01. All businesses must obtain a business tax certificate that appears to be distinct from a business license.	TOT definitions are captured in the table comparison.  Business license definitions are different than what's in Stockton's hotel/motel permitting ordinance.	
Section 5.80.040 Permit required	It is unlawful to operate a hotel, motel, or residential hotel/motel without first obtaining a written permit from the City.	Similar provisions requiring a hotel permit to operate.					TOT Section 5.32.050—Registration, part (c)  Includes requirement to also register for a business tax certificate at the	



STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
							time of registering for the TOT certificate.	
Section 5.80.050 Application	Applications for permits must be filed with the City Manager, be in writing on city forms, and be accompanied by an annual fee.	Section 5.26.030 Application, Issuance, Fee <ul style="list-style-type: none"> <li>Requires application submittal no less than 30 prior to commencement.</li> <li>Same requirement to submit to the City Manager.</li> </ul>					Addressed generally in Taxes, Licenses, and Regulation <u>Chapter 5.04</u> . No special application provisions for hotels/motels.	
Section 5.80.060 Documents accompanying application	The permit application must include : <ul style="list-style-type: none"> <li>Two identity prints (recent/passport-sized)</li> <li>Written evidence that applicant(s) is over 18</li> <li>Proposed management plan, including provision of 24-hr onsite manager or designee</li> <li>Pest control certification</li> <li>Existence of required common indoor space or request for variance</li> <li>Receipt from San Joaquin County Environmental Health</li> </ul>	Section 5.26.030 Application, Issuance, Fee <p>Requirements are more similar to standard business license requirements.</p> <ul style="list-style-type: none"> <li>Additional owner/operator requirements (Social Security number, etc.)</li> <li>Business details</li> <li>Business tax certificate number</li> </ul> <p>Other permits and their status (revoked, withheld, expired, existing, etc.)</p>					Addressed generally in Taxes, Licenses, and Regulation <u>Chapter 5.04</u> . No special application provisions for hotels/motels.	



STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
	demonstrating compliance							
Section 5.80.070 Additional information required for residential hotels/motels	Residential hotel/motel applications must also include information about: <ul style="list-style-type: none"> <li>• Zoning</li> <li>• Parking</li> <li>• Facilities</li> <li>• Onsite management</li> </ul>	N/A					Addressed generally in Taxes, Licenses, and Regulation <a href="#">Chapter 5.04</a> . No special application provisions for hotels/motels.	
Section 5.80.080 Investigation	All applicants/applications will be referred to: <ul style="list-style-type: none"> <li>• Police Chief</li> <li>• Fire Chief</li> <li>• City of Stockton Health Officer</li> <li>• San Joaquin County Environmental Health</li> </ul> For their investigation to determine compliance with applicable codes.	N/A						
Section 5.80.090 Required conditions of the premises - Required management plan	The premises must meet various housing, building, fire, and health code requirements, and the application must include a management plan.	Management plan not required. Relevant fire, life, and safety code requirements are captured within Title 15—Buildings and Construction.			Management plan not required. The applicant must possess all governmental approvals, permits, licenses, and entitlements.		Chapter 19.330—Hotel/Motel, Long-Term Stay of the City’s Zoning code outlines the site and permitting requirements for a hotel/motel.	



STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
Section 5.80.100 List of room charges	A list of all room charges must be made available to residents and the public.	N/A	N/A	N/A	N/A	N/A	N/A	
Section 5.80.110 Quarterly inspections - Exemptions	Quarterly inspections are required unless the initial inspection shows full compliance and no subsequent violations.	Code enforcement is detailed in Title 8 Health and Safety, Chapter 8.80- Abatement of Public Nuisances. There are no prescribed timelines for inspection.	Buildings and Construction—Hotel/Motel Compliance Assurance Program Chapter 16.21.060—Inspections  Specifies that hotels and motels may undergo “periodic inspections.”	Inspections are captured across several ordinances.  Hotels and motels are subject to Fire, Police, Planning Department, and Code Enforcement inspections. Each department has varying requirements, violation fees, and re-inspection protocols.  Hotels and motels are not considered independently, but based on the building characteristics (number of units, amenities, etc.)	Hotel and motel inspections are managed by the County of Orange Environmental Health Division.	Unclear.	N/A	
Section 5.80.120 Business license	Obtaining a business license is required in addition to the permit to operate.	Requires a business tax certificate, captured in <a href="#">Section 5.02.060</a>	Business License Requirements defined in: <a href="#">General Provisions for Business License-Chapter 4.02</a>  Separate permit to operate a hotel/motel not required.	Business License Requirements defined in: <a href="#">General Provisions, Article 10</a>	Business License Requirements defined in: <a href="#">General Services—Businesses, Division 18</a>		TOT Section 5.32.050—Registration, Part (c)  Includes requirement to also register for a business tax certificate at the time of registering for the TOT certificate.	
Section 5.80.130 Time within which to	Requires the City to review the permit application and grant	No provision outlining the deadline to respond to an application.					Addressed in Taxes, Licenses,	



STOCKTON		PEER SUMMARY						
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grant or deny permit to operate	or deny the permit within 45 days.						and Regulation Chapter 5.04.	
Section 5.80.140 Grounds for denial of a permit to operate	Lists the grounds on which the City can deny a permit to operate, such as the premises not complying with applicable laws or the applicant having certain criminal convictions.	Addressed in Section 5.26.030 Application, Issuance, Fee  Different than Stockton; the ordinance describes the grounds by which a permit may be granted.						
Section 5.80.150 Alternate procedure—Issuance of permit with conditions imposed	Allows the City to issue a conditional permit to operate if the premises don't fully meet requirements, with conditions the operator must comply with.	Included in Section 5.26.030 Application, Issuance, Fee  Simplified provision: Permits may be granted with conditions to ensure safe, legal operation that doesn't disrupt the neighborhood or overly strain city resources.						
Section 5.80.160 Inspection	Requires the premises to be accessible for inspection by City and County officials.	Captured in Title 8 Health and Safety, Chapter 8.80- Abatement of Public Nuisances.  Provisions are generally for the inspection of a business to abate public nuisances, not specific to a hotel or motel.	Hotel/Motel Compliance Assurance Program Chapter 16.21.050—Authority to enter and inspect.  Similar provisions; inspections can include all exterior, public, and food preparation areas, as well as randomly selected guest rooms.	Inspections are captured across several ordinances.  Hotels and motels are subject to Fire, Police, Planning Department, and Code Enforcement inspections. Each department has varying requirements, violation fees, and re-inspection protocols.	Hotel and motel inspections are managed by the County of Orange Environmental Health Division.		N/A	
Section 5.80.170	Requires any changes to the	Section 5.26.040 Regulations	Business License Requirements		Business License Requirements		Addressed in Taxes, Licenses,	



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Business name	business name to be approved by the City.	Significantly simplified provision. States that the permit is only valid with the current operating name and location.	defined in: <u>General Provisions for Business License-Chapter 4.02</u>	Business License Requirements defined in: <u>General Provisions, Article 10</u>	defined in: General Services—Businesses, Division 18		and Regulation <u>Chapter 5.04</u> .	
Section 5.80.180 Business location change	Requires approval from the City for changing the location of the hotel, motel, or residential hotel/motel.	Section 5.26.040 Regulations Significantly simplified provision. States that the permit is only valid with the current operating name and location.						
Section 5.80.190 Sale or transfer of hotel, motel, and residential hotel/motel establishment interest	Requires reporting and approval for the sale or transfer of majority ownership interest in the establishment.	The TOT Ordinance- Security requirements, Chapter 3.40.080 contains sale or transfer notification requirements. General business license requirements state that a permit is non-transferable.	The TOT Ordinance-Successor Liability Section 3.08.170 contains sale or transfer notification requirements. General business license requirements state that a permit is non-transferable.	Notification of a hotel or motel sale is not addressed in the TOT ordinance. General business license requirements state that a permit is non-transferable.	The TOT Ordinance-Section 2-9-407—Reporting and Remitting contains sale or transfer notification requirements. General business license requirements state that a permit is non-transferable.	Notification of a sale or transfer to the City is not specified. Section 3.12.112—Sale or Transfer within the City’s TOT ordinance refers to tax liabilities.	TOT section 5.32.080—Cessation of Business addresses notification of a business ending. Sale or transfer notifications not specified. General business license requirements state that a permit is non-transferable.	
Section 5.80.200 Display of permits	Requires the operator to display the permit to operate and manager permits.	Section 5.26.040 Regulations part (c) requires the permit be displayed.	Addressed in: <u>General Provisions for Business License—Chapter 4.02</u>	Addressed in: <u>General Provisions, Article 10</u>	Addressed in: General Services—Businesses, Division 18	Unclear	Addressed in Taxes, Licenses, and Regulation— <u>Chapter 5.04</u>	
Section 5.80.210 Records	Requires the operator to maintain records of employees.	No requirement to maintain employee records.	No requirement to maintain employee records.	<u>Section 9-105— Hotel Registration.</u> The hotel operator must maintain a register that includes the name of the hotel employee checking in the guest.	No requirement to maintain employee records.		No requirement to maintain employee records.	



STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
				No requirement to keep a list of employees.				
Section 5.80.220 Pre-existing operators and managers	Requires existing operators and managers to comply with the ordinance within 180 days.	N/A; ordinance requires all businesses to carry a permit regardless of when they were established.	Separate permit to operate not required. All businesses must have a current business license. Business License Requirements defined in: <a href="#">General Provisions for Business License-Chapter 4.02</a>	Separate permit to operate not required. All businesses must have a current business license. Business License Requirements defined in: <a href="#">General Provisions, Article 10</a>	Separate permit to operate not required. All businesses must have a current business license as defined in: <a href="#">General Services-Businesses, Division 18</a>		All hotels and motels must have a business tax certificate/license, and a TOT Registration Certificate.	
Section 5.80.230 Summary suspension of a permit to operate	Allows the City to immediately suspend a permit to operate in certain circumstances.	5.26.050 Revocation Any permit issued within the chapter can be revoked immediately. No suspension provision.					TOT Section 5.32.150—Revocation of permit. Empowers the Tax Administrator to suspend or revoke one or more of the permits held by the operator. Taxes, Licenses, and Regulation <a href="#">Chapter 5.04</a> contain additional provisions to revoke a business tax certificate/license.	
Section 5.80.240 Suspension or revocation by City Manager	Allows the City Manager initiate suspension or revocation of a permit to operate.	N/A						



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Section 5.80.250 Grounds for revocation or suspension of permit to operate	<p>Grounds for revocation or suspension of a permit to operate include:</p> <ul style="list-style-type: none"> <li>General violations of provisions within the chapter</li> <li>Committing acts for permit denial</li> <li>Engaging in fraud</li> <li>Failing to correct violations</li> <li>Operating without a valid permit</li> </ul> <p>Employing an unpermitted manager</p>	<p>5.26.050 Revocation</p> <p>Simplified provisions</p> <ul style="list-style-type: none"> <li>Misrepresentations were made on the application</li> <li>Owner or manager has been convicted of a related crime</li> <li>Owner/manager acts of fraud or dishonesty</li> <li>Terms of the permit have been violated</li> </ul> <p>Operations have violated state or federal law</p>						
Section 5.80.260 Rights of appeal from denial, suspension, or revocation of permit to operate/hearing procedure	<ul style="list-style-type: none"> <li>Appeals must be made in writing.</li> <li>\$50.00 non-refundable administrative hearing fee must accompany the appeal request.</li> <li>Hearing before the Administrative Hearing Officer shall be held within 15 business days of filing an appeal.</li> <li>Applicant shall be notified of hearing no less</li> </ul>	<p>5.26.060 Appeal</p> <p>Simplified provisions. (a)</p> <ul style="list-style-type: none"> <li>Appeals must be filed within 10 days of the city manager revoking a permit. (Stockton does not have this requirement).</li> <li>Hearings are held during regular City Council meetings.</li> <li>Similar hearing timeline. (three weeks)</li> <li>Shorter notification timeline (no less than three days before the hearing)</li> </ul>					Addressed in Taxes, Licenses, and Regulation <a href="#">Chapter 5.04</a>	





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	<p>than 10 business days prior.</p> <ul style="list-style-type: none"> <li>Decisions of the Administrative Hearing Officer are effective immediately.</li> </ul>							
Section 5.80.270 Action of Administrative Hearing Officer as to permit to operate—Final and conclusive	Decisions of the Administrative Hearing Officer are final; however, that does not limit an individual's other legal options.	5.26.060 Appeal  (b) Decisions of the city manager are in effect until Council decision.  Council decision is immediate and final from that date forward.						
Section 5.80.280 Return of permit to operate—Closure of premises	Requires the return of a revoked or suspended permit and allows the City to close the premises.	N/A					TOT Section 5.32.160—Closure of hotel without permit.  Simplified provision stating that while a permit has not been issued for any reason, the Tax Administrator can close the hotel.	
Section 5.80.290 Hotel, motel, and residential hotel/motel manager's work permit required	Requires managers to obtain a work permit.	Manager's permit is not required.	Manager's permit is not required.	Manager's permit is not required.  Hotel Registration, Section 9-105—Training of employees.  Training for employees checking in guests is required. A person who has not been trained	Manager's permit is not required.	Manager's permit is not required.	Manager's permit is not required.  Zoning requirements Chapter 19.330—Hotel/Motel Long-Term Stay requires an onsite manager on-duty within an office that is open on a 24-hour basis.	
Section 5.80.300 Manager's	Outlines the requirements for obtaining a							



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<b>Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80</b>		<b>Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26</b>	<b>Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21</b>	<b>Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105</b>	<b>Title 1—General Services: Businesses, Division 18</b>	<b>Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01</b>	<b>Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32</b>	<b>Business Operations Tax, Chapter 3.08</b>
permit eligibility	manager’s permit, including completing training.			cannot be assigned to check-in.				
Section 5.80.310 Application for a manager’s permit	Outlines the requirements for applying for a hotel/motel manager’s permit, including submitting photos, proof of age, and proof of completing a hotel management course.							
Section 5.80.320 Investigation of manager permit applications	Requires the police chief to investigate the applicant’s background, including any prior permit suspensions or revocations, and make recommendations.							
Section 5.80.330 Time within which to grant or deny a manager’s permit	Requires the City to review the application and either grant or deny the permit within 20 days.							
Section 5.80.340 Grounds for denial of a manager’s permit	Lists the grounds under which a manager’s permit may be denied, such as the applicant being a registered sex offender or having a prior permit revocation.							



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Section 5.80.350 Summary suspension of permit	Allows for the summary and temporary suspension of a manager’s permit if the holder has committed an act that would be grounds for denial.							
Section 5.80.360 Notice of summary suspension	Outlines the procedures for providing notice and holding a hearing regarding a summary suspension of a manager’s permit.							
Section 5.80.370 Suspension and revocation by City Manager	Allows the City Manager to initiate suspension or revocation procedures for a manager’s permit by sending written notice.							
Section 5.80.380 Grounds for revocation or suspension of manager’s permit	Lists the grounds under which a manager’s permit may be suspended or revoked, such as violating the ordinance or continuing to function as a manager after the permit has been suspended.							
Section 5.80.390	Requires the manager’s permit to be returned to the							



STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
Return of permit	City upon revocation or suspension.							
Section 5.80.400 Rights of appeal from denial, suspension, or revocation of a manager's permit	Outlines the procedures for appealing the denial, suspension, or revocation of a manager's permit.							
Section 5.80.410 Action of Administrative Hearing Officer as to manager permits final and conclusive	States that the decisions of the Administrative Hearing Officer regarding manager permits are final.							
Section 5.80.420 Renewal of manager's permit	Allows for the renewal of a valid manager's permit.							
Section 5.80.430 Administrative procedure and authority of Administrative Hearing Officer	Authorizes the Administrative Hearing Officer to hold hearings regarding violations of the ordinance.	Authorizes city council to hold hearings regarding dissatisfaction on permit decisions made by the city manager, with the council's decision being final.	Administrative hearings, violations, and penalties addressed in: <a href="#">General Provisions for Business License—Chapter 4.02</a>	Business License Requirements defined in: <a href="#">General Provisions, Article 10</a>	Business License Requirements defined in: <a href="#">General Services—Businesses, Division 18</a>	Unclear.	Addressed in Taxes, Licenses, and Regulation <a href="#">Chapter 5.04</a>	
Section 5.80.440	Establishes a penalty schedule for	N/A						



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Hotel, Motel, and Residential Hotel/Motel Permit Ordinance Volume 1, Title 5, Chapter 5.80		Business Taxes, Licenses, and Regulations—Hotels and Lodging Houses, Chapter 5.26	Business Regulation, Title 4 Buildings and Construction—Hotel/Motel Compliance Assurance Program, Chapter 16.21	Business Licenses—General Provisions, Article 10 Regulations Regarding Business and Personal Conduct—Hotel Registration Section 9-105	Title 1—General Services: Businesses, Division 18	Business Permits and Regulations, Title 5 Revenue and Finance—Business Tax Certificate Title 3, Chapter 3.01	Business Taxes, Licenses, and Regulations, Title 5 Transient Occupancy Tax Chapter 5.32	Business Operations Tax, Chapter 3.08
Violations and penalties	violations of the ordinance.							
Section 5.80.450 Appeal of administrative citation issued hereunder	Allows for the appeal of any administrative citations issued under the ordinance.	N/A						
Section 5.80.460 Permits issued for one year	Permits are valid for one year and must be renewed annually.	5.26.030 Application, Issuance, Fee Permits are in effect until suspended or revoked.						
Section 5.80.470 Other licenses, permits required	Clarifies that the permits required by this ordinance are in addition to any other required licenses or permits.	Hotels and motel operators must also obtain a general business license and a business tax certificate, and register the hotel/motel in accordance with the City's TOT Ordinance.	Hotels and motel operators must obtain a general business license and a business tax certificate, and register the hotel/motel in accordance with the city's TOT Ordinance.	Hotels and motel operators must obtain a general business license and a business tax certificate, and register the hotel/motel in accordance with the city's TOT Ordinance.	Hotel and motel operators must obtain a general business license and register the hotel/motel in accordance with the city's TOT Ordinance.	Hotels and motel operators must obtain a general business license and a business tax certificate, and register the hotel/motel in accordance with the city's TOT Ordinance.	Individuals conducting business in the City must obtain a business license, also referred to as a business tax.  Hotel/motel operators must register the hotel/motel in accordance with the city's TOT Ordinance.	All businesses are required to obtain a business operations tax certificate. Hotel/Motel operators are also required to register the hotel/motel in accordance with the city's TOT Ordinance.



## APPENDIX D: HOTEL GUEST REGISTERS – CHAPTER 5.44 ANALYSIS

STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
<b>Hotel Guest Registers Chapter 5.44</b>		<b>Business Taxes, Licenses and Regulations Ordinance Section 5.26.040—Regulations</b>	<b>No reference to requirements for guest registration or recordkeeping</b>	<b>Chapter 9- Regulations Regarding Business and Personal Conduct Sec. 9-105—Hotel Registration</b>	<b>No reference to requirements for guest registration or recordkeeping</b>	<b>No reference to requirements for guest registration or recordkeeping</b>	<b>Limitation on Continuous and Cumulative Occupancy of Transient Hotels and Motels Chapter 9.55</b>	<b>Business Licenses and Regulations—Hotels, Rooming Houses and Similar Establishments Title 5 Chapter 5.76</b>
Section 5.44.010 Words and phrases defined	Defines guest, and the hotel, motel auto court, and/or place intended for guest use for sleeping purposes.	N/A		Part (a) contains somewhat similar definitions for hotels/motels. It does not include guest definitions. Includes what is exempted from the definition.			Defines persons to rent hotels and motels, as defined in Chapter 19 of the city's code.	N/A
Section 5.44.020 Hotel etc., guest registers	<p>Outlines the required information to register a guest and members of the guest party:</p> <ul style="list-style-type: none"> <li>Name</li> <li>Address</li> <li>Number of rooms rented</li> <li>Check-in and check-out dates</li> <li>Form of government-issued identification</li> </ul>	<p>Included in the Business Taxes, Licenses and Regulations Ordinance-Section 5.26.040—Regulations.</p> <p>Simplified provision, stating only that guests sign their name and address when renting a room. If multiple guests, only one needs to sign.</p> <p>It does not include a requirement to retain the register for inspection.</p>		<p>Part (b) similar provision. Requires the following additional information:</p> <ul style="list-style-type: none"> <li>Guest date of birth</li> <li>Vehicle, if parked on premises</li> <li>Room rate</li> <li>Method of payment</li> <li>Name of hotel employee checking in the guest(s)</li> </ul> <p>Additional provisions in the ordinance require:</p> <ul style="list-style-type: none"> <li>Part (d) no room may be rented without verifying a guest's identity.</li> <li>Part (g) prohibition against use of fictitious names.</li> <li>Part (h) prohibition of hourly room rentals</li> <li>Part (i) prohibition against use of hotel rooms for immoral or unlawful purposes.</li> <li>Part (j) penalties for violating the ordinance are a misdemeanor.</li> </ul>			<p>Section 9.55.030—Limitation on duration of occupancy Part (a) outlines the requirements to maintain a hotel register.</p> <p>Similar guest and room information requirements as Stockton.</p> <p>Registers must be kept for one year.</p> <p>Additional provisions:</p> <ul style="list-style-type: none"> <li>Sections to address penalties (misdemeanor), civil, and administrative remedies for violations of the ordinance</li> <li>A guest cannot rent more than 5% of a hotel/motel's rooms</li> <li>Includes property disposal provisions</li> <li>Section 9.55.090—Hourly rates prohibited</li> </ul>	<p>Section 5.76.010 Keeping required—Contents.</p> <p>Similar provisions to Stockton. No requirement for a government-issued ID.</p> <p>Additional provisions:</p> <ul style="list-style-type: none"> <li>Section 5.76.030 Violation—Penalty notes that violators are guilty of an infraction.</li> </ul>



STOCKTON		PEER SUMMARY						
Section	Description	Bakersfield	Elk Grove	Fresno	Irvine	Lodi	Riverside	Sacramento
<b>Hotel Guest Registers Chapter 5.44</b>		<b>Business Taxes, Licenses and Regulations Ordinance Section 5.26.040—Regulations</b>	<b>No reference to requirements for guest registration or recordkeeping</b>	<b>Chapter 9- Regulations Regarding Business and Personal Conduct Sec. 9-105—Hotel Registration</b>	<b>No reference to requirements for guest registration or recordkeeping</b>	<b>No reference to requirements for guest registration or recordkeeping</b>	<b>Limitation on Continuous and Cumulative Occupancy of Transient Hotels and Motels Chapter 9.55</b>	<b>Business Licenses and Regulations—Hotels, Rooming Houses and Similar Establishments Title 5 Chapter 5.76</b>
Section 5.44.020 Guest register to be open for inspection	Requirement to make the guest register available upon request and with the information specified in 5.44.020	N/A		Part (c) Much more robust section. Includes requirement to: <ul style="list-style-type: none"> <li>• Maintain register records for one year</li> <li>• Prohibition against defacing or altering records</li> <li>• Description of requirements based on registration record type (book, cards, electronic)</li> <li>• Confidentiality of guest information requirements</li> </ul>			Section 9.55.030—Limitation on duration of occupancy Part (a). Registers must be available for inspection during normal business hours.  Similar requirements as Stockton.  Registers must be kept for one year.	Section 5.76.020 Where kept—Inspection.  Similar provisions to Stockton.



# APPENDIX E: KERN COUNTY HOTEL RISK ASSESSMENT FORM

Kern County Hotel/Motel Risk Assessment Worksheet	
Facility Name	FA Number
Facility Address	PR Number
Operational Risk	
20	Facility is considered a "residential hotel" as defined in §50519(b)(1) of California Health and Safety Code. (*residential hotel as defined below)
15	Housekeeping Service NOT provided daily (including laundry) or Standard Operating Procedures NOT in place for staff training & facility plan for maintenance & complaint response. (copies of SOP and training records required)
Population Risk	
1-5	Facility Serves: (hotel: number of rooms) (residential hotel: 4x number of rooms). 1-100 (1 point) 100-300 (3 points) 300+ (5 points)
Property Risk	
10	Lack of Pest control: Facility does NOT maintain a contract with a <u>licensed</u> pest control company for monthly or bimonthly service (proof required)
10	Smoke Detectors/Alarms: Rooms are equipped with removable battery operated smoke detectors ____ Yes (10 points) Facility has hard wired smoke detectors which are wired to a central alarm system. If system is not testable on site, system is professionally tested quarterly and test reports are kept on premises at all times ____ Yes (0 points)
Facility History	
10	Unsanitary Premises: Facility has had one or more violations for unsanitary premises within the last 12 months (**unsanitary premises as defined in 1001 of the Uniform Housing Code)
10	Vermin Infestation: Facility has had one or more violations for vermin infestation (cockroaches, bed bugs, rodents) within the last 12 months
10	Complaints: Facility has had two or more founded complaints within the last 12 months
10	Substandard Postings: Facility has had a legal posting for substandard conditions within the last 24 months (**substandard conditions as defined in 1001 of the Uniform Housing Code)
<input type="text"/>	Total Points
<input type="text"/>	Low Risk
<input type="text"/>	Moderate Risk
<input type="text"/>	High Risk
Exempt from Permit – Facility has converted to a state certified rehabilitation/treatment facility (proof required)	
Signature of EHS	
Date	

Inspection Frequency: 0 - 30 points = 1 per year; 30 - 65 points = 2 per year; 65+ points = 3 per year

\* "Residential hotel" means any building containing six or more guestrooms or efficiency units, as defined by Section 17958.1, intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by guests, which is also the primary residence of those guests, but does not mean any building containing six or more guestrooms or efficiency units, as defined by Section 17958.1, which is primarily used by transient guests who do not occupy that building as their primary residence.

\*\* "Unsanitary premises" shall include, but not be limited to, the following: 1. Lack of or improper water closet, lavatory, bathtub or shower in a dwelling unit or lodging house. 2. Lack of or improper water closets, lavatories, and bathtubs or showers per number of guests in a hotel. 3. Lack of or improper kitchen sink in a dwelling unit. 4. Lack of hot and cold running water to plumbing fixtures in a hotel. 5. Lack of hot and cold running water to plumbing fixtures in a dwelling unit or lodging house. 6. Lack of adequate heating facilities. 7. Lack of or improper operation of required ventilating equipment. 8. Lack of minimum amounts of natural light and ventilation required by this code. 9. Room and space dimensions less than required by this code. 10. Lack of required electrical lighting. 11. Dampness of habitable rooms. 12. Infestation of insects, vermin or rodents as determined by the health officer (1001.2). The accumulation of weeds, vegetation, junk, dead organic matter, debris, garbage, offal, rat harborages, stagnant water, combustible materials, and similar materials or conditions on a premises constitutes fire, health or safety hazards (1001.11).

\*\*\* "Substandard conditions" shall include, but not be limited to, the following: inadequate sanitation, structural hazards, nuisance conditions, hazardous electrical wiring, hazardous plumbing, hazardous mechanical equipment, faulty weather protection, fire hazard, faulty materials of construction, hazardous or insanitary premises, inadequate exits, inadequate fire protection or firefighting equipment, improper occupancy or any combination thereof to an extent that endangers the life, limb, health, property, safety or welfare of the public or occupants. AR: Housing Risk Form (3/14)



