Article 1: Public Improvement and Assessment Proceedings

Division 25: San Diego Tourism Marketing District
Procedural Ordinance
(Added 5-30-2007 by O-19622 N.S.; effective 6-29-2007.)

§61.2501 Purpose and Intent

The purpose and intent of this Division is:

(a) To allow for the establishment of a tourism marketing district to provide for tourism development, including coordinated joint marketing and promotion of San Diego businesses, in order to retain and expand the lodging industry which is one of the top revenue generators for the San Diego economy and a key employment sector.

(b) To create a mechanism to fund promotional activities for tourism development through the levy of assessments upon the businesses to which the special and specific benefit from those activities is conferred.

(c) To provide a method for the involvement of a nonprofit entity to participate in the preparation and review of proposed tourism marketing district plans for district activities.

(d) To provide a method for the City Council to authorize a nonprofit entity with specific interest in the promotion of City tourism to implement and administer district activities.

(e) To provide a mechanism with which a charge may be imposed for a special and specific benefit conferred directly to the payors that is not provided to those not charged and which does not exceed the reasonable costs to the City of San Diego of conferring the benefit.

("Purpose and Intent" added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2502 Citation of Division

This division may be cited as the San Diego Tourism Marketing District Procedural Ordinance.

("Citation of Division" added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
§61.2503  **Rules of Construction**

This Division shall be liberally construed in order to effectuate its purposes. No error, irregularity, informality and no neglect or omission of any officer, in any procedure taken under this Division which does not directly affect the jurisdiction of the San Diego City Council to order the work shall void or invalidate such procedure for any assessment or the cost of the work done thereunder.

(“Rules of Construction” added 5-30-2007 by O-19622 N.S.; effective 6-29-2007.) (Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2504  **Definitions**

For purposes of this division, defined terms appear in italics. The following definitions apply in this Division:

“Activities” means, but is not limited to, the promotion and marketing of assessed businesses to provide a special and specific benefit to assessed businesses within the district that is not provided to those not paying the assessment.

"Assessment" means a levy for the purpose of conducting activities which will provide a special and specific benefit to the assessed businesses located within a tourism marketing district is not provided to those not paying the assessment. Assessments levied under this Division are not special taxes.

"Business" means any and all types of hotels where a structure, or any portion of a structure, is held out to the public as being occupied, or designed for occupancy, by transients for dwelling, lodging or sleeping purposes.

“Business owner” means the owner, operator, or authorized representative of the business who is noted on City records as the responsible party for the remitting and reporting of Transient Occupancy Tax pursuant to San Diego Municipal Code section 35.0114.

"District management plan" or "plan" means a proposal as defined in sections 61.2507.

"Tourism marketing district," or "district," means an area established pursuant to this Division, within which businesses pay assessments to fund activities.
"Tourism marketing district association" or “association” means a private nonprofit entity which represents, and whose membership includes only the assessed business owners or business owners’ representatives in a district and which participates in the preparation and review of proposed district management plans for district activities that provide a special and specific benefit to assessed businesses that is not provided to those that are not assessed. A tourism marketing district association may be an existing nonprofit entity or a newly formed nonprofit entity. In accordance with California Streets and Highways Code section 36614.5, the association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.

Transient has the same meaning as in San Diego Municipal Code section 35.0102.

(“Definitions” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O–19691; effective 1-17-2008.)
(Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2505 Alternative Financing Method; No Limit on Other Provisions of Law

This Division provides an alternative method of financing certain activities. The provisions of this Division shall not affect or limit any other provisions of law authorizing or providing for activities or the raising of revenue for the benefit of businesses.


§61.2506 Establishment of Tourism Marketing District

A tourism marketing district may be established as provided in this Division, in the following manner:

(a) Upon the submission of a written petition, signed by the business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the City Council will initiate proceedings to establish a district by the adoption of a resolution expressing its intention to establish a district. Where the same business owner would be assessed an amount in excess of 40 percent of the total amount of all assessments proposed to be levied, that business owner’s share of the assessment over such 40 percent shall not be included in determining whether the petition is signed by business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
(b) The petition of business owners required under subdivision (a) shall include a summary of the district management plan. That summary shall include all of the following:

1. A map showing the boundaries of the district.
2. Information specifying where the complete district management plan can be obtained.
3. Information specifying that the complete district management plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

1. A brief description of the proposed activities, the amount of the proposed assessment, a statement that bonds will not be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the activities and the location and extent of the proposed district.
2. A time and place for a public hearing on the establishment of the tourism marketing district and the levying of assessments, which shall be consistent with the requirements of section 61.2508.

§61.2507 Tourism Marketing District Management Plan

The district management plan shall contain all of the following:

(a) A map of the district.

(b) The name of the proposed district.
(c) A description of the boundaries of the district, including the boundaries of any benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. Nothing in this Division prohibits the boundaries of a district created pursuant to this Division to overlap with other districts created pursuant to this Division or assessment districts established pursuant to other provisions of law including, but not limited to, the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code sections 36500 - 36551, or the Property and Business Improvement District Law of 1994, California Streets and Highways Code sections 36600 - 36671.

(d) The general description of activities proposed for each year of operation of the district and the estimated maximum cost thereof.

(e) The estimated total annual amount proposed to be expended each year for administration and operation of the district.

(f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of the assessment to be levied against their business.

(g) The planned frequency for the levying of the assessments.

(h) The specific number of years in which assessments will be levied. The maximum term for any district is 40 years. The district management plan may set forth specific changes in assessments for each year of operation of the district.

(i) The proposed timing and duration of activities under the plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the businesses to be assessed then in existence.

(l) A description of the procedures utilized by the association for the nomination and election of the association’s board of directors.

(m) Any other item or matter required to be incorporated therein by the San Diego City Council, the San Diego Municipal Code, or any other applicable law.
The district management plan shall be approved by City Council at the time City Council considers the petition of businesses seeking to establish a tourism marketing district. Should the businesses or the tourism marketing district association seek to modify the plan at any time, such modifications shall be subject to the requirements of sections 61.2519 and 61.2520.

(Amended 12-18-2007 by O–19691; effective 1-17-2008.)
(Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2508 Notice of Proposed Assessments; Public Hearing

(a) If the City Council proposes to levy a new or increased assessment pursuant to this Division, the City shall comply with the following notice, protest, and hearing procedures:

(1) The City Council shall identify all businesses which will have a special and specific benefit conferred on them by the activities and upon which an assessment will be imposed.

(2) All assessments shall be supported by the management plan.

(3) The City shall give notice by mail to the business owner of each identified business. Each notice shall state the estimated total initial annual assessments for the entire district, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, and a specific formula in sufficient detail to allow the business owner to calculate the proposed assessment on the business, together with the date, time, and location of a public hearing on the proposed assessment.

(4) If the proposed assessment formula is based on gross room revenue, the amount of the proposed assessment for each identified business shall be estimated based on gross room rental revenue for the City’s most recent complete fiscal year.

(5) Each notice shall also include, in a conspicuous place, a summary of the procedures for the completion, return, and tabulation of the ballots required pursuant to section 61.2508(a)(6), including a statement that the assessment shall not be imposed if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with ballots weighted according to the proportional financial obligation of the affected business.
The City shall give notice by mail at least 45 days prior to the date of the public hearing upon the proposed assessment. On the face of the envelope mailed to the business owner, in which the notice and ballot are enclosed, there shall appear in substantially the following form in no smaller than 16-point bold type: “OFFICIAL BALLOT ENCLOSED.” The City may additionally place the phrase “OFFICIAL BALLOT ENCLOSED” on the face of the envelope mailed to the business owner, in which the notice and ballot are enclosed, in a language or languages other than English.

(6) Each notice given pursuant to this section shall contain a ballot that includes the City’s address for receipt of the ballot and a place where the person returning the assessment ballot may indicate his or her name, a reasonable identification of the business, and his or her support or opposition to the proposed assessment. Each ballot shall be in a form that conceals its contents once it is sealed by the person submitting the ballot. Each ballot shall be signed and either mailed or otherwise delivered to the address indicated on the ballot. Regardless of the method of delivery, all ballots shall be received at the address indicated, or the site of the public testimony, in order to be included in the tabulation of a majority protest pursuant to section 61.2508(a)(8). Ballots shall remain sealed until the tabulation of ballots pursuant to section 61.2508(a)(8) commences, provided that a ballot may be submitted, changed, or withdrawn by the person who submitted the ballot prior to the conclusion of the public testimony on the proposed assessment at the hearing required pursuant to this section. The City may provide an envelope for the return of the ballot, provided that if the return envelope is opened by the City prior to the tabulation of ballots pursuant to section 61.2508(a)(8), the enclosed ballot shall remain sealed as provided in this section.

(7) At the time, date, and place stated in the notice mailed pursuant to section 61.2508(a)(3), the City shall conduct a public hearing upon the proposed assessment. At the public hearing, the City shall consider all objections or protests, if any, to the proposed assessment. At the public hearing, any person shall be permitted to present written or oral testimony. The public hearing may be continued from time to time.

(8) At the conclusion of the public hearing, a person or persons designated by the City shall tabulate the ballots submitted, and not withdrawn, in support of or opposition to the proposed assessment.
(9) The City Council may, if necessary, continue the tabulation at a different time or location accessible to the public, provided the City Council announces the time and location at the hearing. Technological methods may be used in the tabulation of the ballots, including, but not limited to, punchcard, or optically readable (bar-coded) ballots.

(10) A majority protest exists if the ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the ballots submitted, and not withdrawn, in its favor, weighting those ballots by the amount of the proposed assessment to be imposed upon the identified business for which each ballot was submitted.

(11) If there is a majority protest against the imposition of a new assessment or an increase in an existing assessment, the City shall not impose or increase the assessment.

(b) In addition to the requirements of section 61.2508(a), the City shall also comply with California Government Code section 54954.6, as it relates to adopting any new or increased assessment.

(“Notice of Proposed Assessments; Public Hearing” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2509 City Council Adoption, Revision or Modification of Assessments; Modification of Approved Activities; Changes to District Boundaries

At the conclusion of the public hearing to establish the district, the City Council may adopt, revise, change, reduce or modify the proposed assessment or the type or types of activities to be funded with the revenues from the assessments. At the hearing, the City Council may only make changes to the boundaries of the proposed tourism marketing district that will exclude territory containing businesses that the City Council finds will not benefit from the proposed activities; and may only change proposed assessments by reducing them.

(“City Council Adoption, Revision or Modification of Assessments; Modification of Approved Activities; Changes to District Boundaries” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
§61.2510 Resolution of Formation of Tourism Marketing District

(a) If the City Council, following a public hearing, decides to establish a proposed tourism marketing district, the City Council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities, the amount of the proposed assessment, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The City Council shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the operations of the district established by the resolution shall be subject to any amendments to this Division.

(6) A statement that the activities to be provided to benefit businesses in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide activities that directly benefit businesses outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the City Council at the hearing concerning establishment of the district.

(7) A statement specifying the time and manner for levying the assessments by the City Treasurer.
(8) A statement that any assessment imposed pursuant to this Division is levied solely upon the business owner within the district, that the business owner is solely responsible for payment of the assessment when due, and that, if the business owner chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as “San Diego Tourism Marketing District Assessment.”

(9) A finding that the activities funded by the assessments will provide a special and specific benefit to businesses within the tourism marketing district that is not provided to those not paying the assessment.

(b) The adoption of the resolution of formation and recordation of the notice and map pursuant to section 61.2512 shall constitute the levy of an assessment in each of the fiscal years referred to in the district management plan.

(“Resolution of Formation of Tourism Marketing District” added 5–30–2007 by O-19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2511 City Clerk to Record Notice and Map of District

Following adoption of a resolution establishing a district pursuant to section 61.2510 the City Clerk shall record a notice and map of the district.

(Renumbered from former Section 61.2512, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2512 City Council Establishment of Benefit Zones

The City Council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the activities to be provided within the benefit zone, and may impose a different assessment within each benefit zone. The City Council may also define categories of businesses based upon the degree of benefit that each will derive from the activities to be provided within the district, and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

(“City Clerk to Record Notice and Map of District” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2513, retitled to “City Council Establishment of Benefit Zones” and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
§61.2513 Establishment, Modification or Disestablishment; Districts and Benefit Zones

(a) All provisions of this Division applicable to the establishment, modification, or disestablishment of a tourism marketing district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. In order to establish, modify, or disestablish a benefit zone or category of business, the City Council shall follow the procedure to establish, modify, or disestablish a tourism marketing district.

(b) Subsection (a) above notwithstanding, no written petition of business owners shall be required for the City Council to change or clarify a benefit zone or category of business subject to an assessment; however, a written petition shall be required for the City Council to disestablish a benefit zone or category of business subject to an assessment. Any such petition may be signed by any business owner in the district, whether or not such business is within a benefit zone or category of business to be disestablished.

(Renumbered from former Section 61.2514, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
(Amended 6-29-2016 by O-20667 N.S.; effective 7-29-2016.)

§61.2514 Expiration of Tourism Marketing District

If a tourism marketing district expires due to the time limit set pursuant to section 61.2507(h), a new district management plan may be created and a new district established pursuant to this Division.

(“Establishment, Modification or Disestablishment; Districts and Benefit Zones” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Renumbered from former Section 61.2515, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
§61.2515   Collection of Assessments

The collection of the assessments levied pursuant to this Division shall be made at the time and in the manner set forth by the City Council in the resolution establishing the district described in section 61.2510. A method for charging interest and penalties for delinquent payments of assessments may also be prescribed in the resolution establishing the district.

(“Expiration of Tourism Marketing District” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2516, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2516   Exemptions from Assessments

The following business revenues are considered exempt from assessment under this Division:

(1) Revenues from a transient who has exercised occupancy for more than one month;

(2) Revenues from a transient whose room rent is being paid directly or indirectly by the federal government or the State of California, or

(3) Revenues from a transient who is by treaty exempt from locally-levied transient occupancy taxes.

(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2518, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2517   Validity of Assessments; Contests

The validity of an assessment levied under this Division shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution establishing the district and levying the assessment is adopted pursuant to section 61.2510. Any appeal from a final judgment in an action or proceeding shall be perfected by the appellant within 30 days after the entry of judgment.

(“Assessments Based on Estimated Benefits” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Renumbered from former Section 61.2519, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011. Former Section 61.2517 removed.)
§61.2518  City’s Promotional Responsibilities

(a) Nothing in this Division shall relieve the City of its responsibility to promote the City of San Diego as enumerated in San Diego Municipal Code section 35.0128 regarding the use of revenues from the City’s Transient Occupancy Tax.

(b) The City Manager, or the Manager’s designee, will provide the tourism marketing district association, on an annual basis, a statement detailing actual Transient Occupancy Tax revenues collected under San Diego Municipal Code section 35.0103 that are available for promoting the City. This statement shall also describe the prescribed use of revenues from the City’s Transient Occupancy Tax to include, but not be limited to:

(1) The annual debt payment for all existing bond obligations related to the San Diego Convention Center Corporation;

(2) The annual marketing subsidy as required by the San Diego Convention Center Corporation; and

(3) The annual debt payment for all existing bond obligations relative to Balboa Park and Mission Bay Park.

(“Exemptions from Assessments” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2520, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2519  Modifications of District Management Plan

A tourism marketing district association may, at any time, request that the City Council modify its district management plan. Any modification of the district management plan shall be made pursuant to this Division.

(“Validity from Assessments; Contests” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2521, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
§61.2520 District Plan Modification; Public Hearing Required

(a) Upon the written request of a tourism marketing district association, the City Council may modify the district management plan, including modification of the activities to be funded with the revenue derived from the levy of the assessments, after conducting one public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the City shall comply with the notice and protest requirements of section 61.2508.

(b) The City Council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

(c) The City shall give all business owners within the district written notice by mail, of the proposed modifications of the district management plan, an explanation of the modification, and the reason for the modification, together with the date, time and location of a public hearing on the proposed modification.

(“City’s Promotional Responsibilities” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2522, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2521 Tourism Marketing District Association; Report of Activities

(a) Each tourism marketing district association shall cause to be prepared a prospective report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the activities described in the report. The tourism marketing district association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the tourism marketing district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of categories of business, if a classification is used.

(b) The report shall be filed with the City Clerk prior to the end of each fiscal year, and shall refer to the tourism marketing district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:
(1) Any proposed changes to the boundaries of the tourism marketing district or to any benefit zones or classification of businesses within the district.

(2) The activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from the previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this Division.

(c) The City Council may approve the report as filed by the tourism marketing district association, or may modify any portion of the report and approve it as modified. Such modification shall only be made subject to the noticing provisions of sections 61.2520. Any portion of the report which proposes to modify the district management plan shall only be approved after complying with the notice and public hearing requirements of Section 61.2520. The City Council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

(d) A tourism marketing district association shall comply with the Ralph M. Brown Act, California Government Code sections 54950 - 54963, at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act, California Government Code sections 6250 - 6276.48, for all documents relating to activities of the district.

(e) Each business owner paying the tourism district assessment has the right to vote in annual elections of the association and the right to seek nomination or election to the board of directors of the association.

(Renumbered from former Section 61.2523, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
§61.2522 Tourism Marketing District Association; Contract With Nonprofit

The district management plan may state that a tourism marketing district association will provide for and administer the activities described in the district management plan. If the district management plan designates a tourism marketing district association, the City may contract with the designated nonprofit corporation to implement the plan and carry out specified activities, subject to the terms and conditions enumerated in the contract.

(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2524, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2523 Renewal of Expired District

(a) Upon renewal of an expired district, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional businesses not included in the prior district, the remaining revenues shall be spent to benefit only the businesses in the prior district. If the renewed district does not include businesses included in the prior district, the remaining revenues attributable to these businesses shall be refunded to the owners of these businesses.

(b) Upon renewal, a district shall have a term not to exceed forty (40) years. There is no requirement that the boundaries, assessments, or activities of a renewed district be the same as the original or prior district.

(Amended 12-18-2007 by O-19691; effective 1-17-2008.)
(Renumbered from former Section 61.2525, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
§61.2524 Disestablishment of District, Benefit Zone or Category of Business; Procedures

(a) Any tourism marketing district established or extended pursuant to the provisions of this Division, where there is no outstanding and unpaid indebtedness incurred to accomplish any of the purposes of the district, may be disestablished by resolution of the City Council in either of the following circumstances:

(1) If the City Council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district; or

(2) After the first year of operation of the district, there shall be a 30-day period each year in which assessed business owners may request disestablishment of the district. The first such period shall begin upon presentation to City Council of the district’s initial annual report of activities. During each successive year of operation of the district, business owners shall have such a 30-day period to request disestablishment upon presentation of the district’s report of activities. Upon the written petition of the business owners in the district who pay 50 percent or more of the assessments levied, the City Council shall pass a resolution of intention to disestablish the district. The City Council shall notice a hearing on disestablishment, pursuant to section 61.2508.

(b) The City Council shall adopt a resolution of intention to disestablish the district, benefit zone or category of businesses within the district, prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the district or benefit zone within the district. The notice of the hearing on disestablishment required by this section shall be given by mail to the owner of each business subject to assessment in the district. The City Council shall conduct the public hearing not less than 30 days after the mailing of the notice to the business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

(“Tourism Marketing District Association; Contract With Nonprofit” added 5-30-2007 by O–19622 N.S.; effective 6-29-2007.)
(Renumbered from former Section 61.2526, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)
(Retitled from “Disestablishment of District; Procedures” to “Disestablishment of District, Benefit Zone or Category of Business; Procedures” and amended 6-29-2016 by O-20667 N.S.; effective 7-29-2016.)
§61.2525 Disestablishment; Refund of Assessments

(a) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund. All outstanding assessment revenue collected after disestablishment shall be spent on activities specified in the district management plan.

(b) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, shall be refunded to the business owners then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished.

(“Renewal of Expired District” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(Renumbered from former Section 61.2527, and amended 10-6-2011 by O-20096 N.S.; effective 11-5-2011.)

§61.2526 Action to Determine Validity; Action Contesting Validity

(a) An action to determine the validity of assessments, contracts, improvements, or activities, or the amendment or approval of a district management plan, including but not limited to an amendment that changes, clarifies, or disestablishes a benefit zone or category of businesses, may be brought by the City or tourism marketing district association pursuant to Chapter 9 (commencing with section 860) of Title 10 of Part 2 of the California Code of Civil Procedure. For such purpose an assessment, contract, improvement, activity, acquisition, plan, or plan amendment shall be deemed to be in existence upon its authorization by the City Council.

(b) In accordance with California Streets and Highways Code section 36633, the validity of an action identified in subsection (a) above, shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the matter is deemed to be in existence under that subsection (a). Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

(“Disestablishment of District; Procedures” added 5–30–2007 by O–19622 N.S.; effective 6-29-2007.)
(“Action to Determine Validity; Action Contesting Validity” added 10-6-2011 by O-20096 N.S.; effective 11-5-2011. Former Section renumbered to 61.2524.)
(Amended 6-29-2016 by O-20667 N.S.; effective 7-29-2016.)