

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO  
AMENDING SECTIONS 3.52.030, 3.52.120, AND 3.52.130 OF CHAPTER  
3.52 OF TITLE 3 TO THE CHICO MUNICIPAL CODE, PERTAINING TO  
AMENDMENTS TO TRANSIENT OCCUPANCY TAX REGULATIONS**

WHEREAS, pursuant to Section 201 of the Charter of the City of Chico, the City shall have the power to make and enforce all laws and regulations in respect to municipal affairs, subject only to such restrictions and limitations as may be provided in the Constitution of the State of California, or provision of the City's Charter;

WHEREAS, the City of Chico may tax persons staying thirty (30) days or less in hotels, motels, and similar lodgings;

WHEREAS, the tax is imposed on the hotel guest, the hotel has a duty to collect and transmit the funds to the taxing agency – here, the City of Chico – because the tax is on the privilege of occupying a lodging within the City's jurisdiction;

WHEREAS, the City already has a Transient Occupancy Tax (TOT) ordinance, pursuant to Chapter 3.52 of Title 3 of the Chico Municipal Code;

WHEREAS, this Ordinance is merely making amendments to definitions within the TOT ordinance to make clarifications as to the type of rental lodging uses that are included in the definition of a "hotel";

WHEREAS, the travel industry has dramatically changed since the Chico Municipal Code was adopted regarding the definition of "hotels" as it relates to TOTs. For example, the sharing of one's own residence, in part or in whole, as a short-term rental, is a practice that has grown rapidly. This practice is further facilitated by the internet, which is convenient and easily accessible for booking purposes.

WHEREAS, primary residences, and other residential and dwelling units are being used as "hotels," yet the City is not collecting the applicable TOTs;

1 WHEREAS, due to the promotion and proliferation of short-term home-sharing and vacation  
2 rentals on websites like Airbnb, Craigslist, and Vacation Rentals by Owner (VRBO), the City needs  
3 to update the municipal code by making clarifications of the types of occupancies and/or land uses  
4 that fit under the definition of a “hotel”, to insure the TOT is collected for applicable transient stays  
5 in City of Chico limits;

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7 WHEREAS, while the City continues to assess the City’s regulatory options as they relate  
8 to short-term home-sharing and vacation rentals, it is the City’s intent to provide language in the  
9 City’s municipal code explicitly allowing for the collection of TOTs to short-term home-sharing  
10 and/or vacation rental units;

11 WHEREAS, the City believes that these modifications will help clarify that any dwelling  
12 in the City of Chico providing or marketing transient accommodations is subject to the TOT and  
13 business license requirements of the City.

14 BE IT ORDAINED by the Council of the City of Chico as follows:

15 That section 3.52.030, 3.52.120 and 3.52.130 of the Chico Municipal Code are amended to  
16 read as follows:

17 **SECTION 1:** The Council of the City of Chico hereby finds and declares that the foregoing  
18 recitals are true and correct and incorporates them herein as a substantive part of this Ordinance.

19 **SECTION 2:** The definition of “hotel” in Section 3.52.030 of the Chico Municipal Code is  
20 hereby amended to read as follows:

21 **3.52.030 Hotel defined.**

22 Hotel means any structure, or any portion of any structure, which is occupied, or intended or  
23 designed for occupancy, by transients for dwelling, lodging or sleeping purposes, and is held out as  
24 such to the public and includes, but is not limited to, any hotel, inn, tourist home or house, motel,  
25 studio hotel, bachelor hotel, lodging house, rooming house, apartment house, short-term home-  
26 sharing and/or vacation rental unit under thirty-one days, dormitory, public or private club, mobile  
27 home or house trailer, at a fixed location, or other similar structure or portion thereof. Short-term  
28

1 home-sharing and/or vacation rental-units consist of home-sharing, where a residential or dwelling  
2 unit is shared, in whole or in part, and/or vacation rentals, where the residential or dwelling unit is  
3 exclusively used for occupancy as defined in this Chapter.

4 **SECTION 3:** Section 3.52.120 of the Chico Municipal Code is hereby amended to read as  
5 follows:

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7 **3.52.120 Registration certificate - Transient.**

8 When the information furnished to the finance director as required by Section 3.52.110,  
9 establishes that the operator of the hotel is in the business of renting to transients, the finance director  
10 shall issue to the operator a Transient Occupancy Registration Certificate. Such certificate shall be  
11 in the form approved by the finance director containing the words Transient Occupancy Registration  
12 Certificate with such additional legend in words and/or numerals as the finance director shall  
13 determine necessary to give appropriate notice to hotel guests that the licensee has complied with  
14 the registration requirements of this chapter.  
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16 (Prior code § 25.80-1 (Ord. 849 §1 (part), Ord. 2113 §1))  
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18 **SECTION 4:** Section 3.52.130 of the Chico Municipal Code is hereby amended to read as  
19 follows:

20 **3.52.130 Registration certificate - Nontransient.**

21 When the information furnished to the finance director as required by Section 3.52.110,  
22 establishes that the operator of the hotel is in the business of renting to nontransients, the finance  
23 director shall issue to the operator a Nontransient Occupancy Registration Certificate. Such  
24 certificate shall be in the form approved by the finance director containing the words Nontransient  
25 Occupancy Registration Certificate with such additional legend in words and/or numerals as the  
26 finance director shall determine necessary to give appropriate notice to hotel guests that the licensee  
27 has complied with the registration requirements of this chapter.  
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1           **SECTION 5:** If any part, provision, or portion of this Ordinance, or its application to any  
2 individual, entity, or circumstance, for any reason, is held to be invalid or unconstitutional by the  
3 decision of any court of competent jurisdiction, such decision shall not affect the remaining portions  
4 of this Ordinance and shall continue in full force and effect. To this end, any part, provision, or  
5 portion of this Ordinance is severable. The City Council declares that this Ordinance, and each  
6 section, subsection, sentence, clause and phrase thereof, would have been adopted by the City  
7 Council regardless of the fact that any other section, subsection, sentence, clause or phrase might be  
8 declared to be invalid or unconstitutional.

9           This ordinance was adopted by the City Council of the City of Chico at its meeting  
10 held on April 17, 2018, by the following vote:

11 AYES: Coolidge, Fillmer, Ory, Schwab, Sorensen, Morgan


12 NOES: None

13 ABSENT: None

14 ABSTAIN: None

15 DISQUALIFIED: Stone

16 **APPROVED AS TO FORM:**

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18 \_\_\_\_\_  
19 Vincent C. Ewing  
City Attorney\*

**ATTEST:**

  
Deborah R. Presson, MMC  
City Clerk

20 \*Pursuant to The Charter of the City of Chico, Section 906(E)

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