Hollywood
Tourism Improvement District

MANAGEMENT DISTRICT PLAN
2027–2032

THE HOLLYWOOD PARTNERSHIP | HOLLYWOOD PARTNERSHIP COMMUNITY TRUST

Prepared pursuant to the Property and Business Improvement District Law of 1994.
Streets and Highways Code section 36600 et esq.

July 23, 2026

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I. OVERVIEW

Developed by lodging businesses in the Hollywood Regional Center area of the City of Los Angeles and The Hollywood Partnership (THP), the Hollywood Tourism Improvement District (HTID) is an assessment district proposed to provide specific benefits to payors, by funding Tourism & Visitor Experience Services for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

Location: The proposed HTID includes all lodging businesses (available for public occupancy), existing and in the future, located generally within the boundaries of the Hollywood Regional Center portion of the City of Los Angeles (City) as shown on the map below.

Services: The HTID is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales. Tourism & Visitor Experience Services, and other improvements and activities set forth in this Management District Plan (Plan), will increase tourism and market payors as tourist, meeting and event destinations, thereby increasing demand for room night sales.

Budget: The total HTID annual assessment budget for the initial year of its five (5) year operation is anticipated to be approximately $2,700,000. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, and as businesses open and close.

Cost: The annual assessment rate is 1.5% of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on: Stays of more than thirty (30) consecutive days; any Federal or State of California officer or employee, including employees of federal credit unions, who provides proof that the officer or employee is on official Federal or State business; any officer or employee of a foreign government who is exempt by express provision of federal law or international treaty; any person to whom rent is charged at the rate of $2.00 per day or less; or any person as to whom, or any occupancy as to which, rent is paid from funds administered by the Emergency Food and Shelter National Board Program.

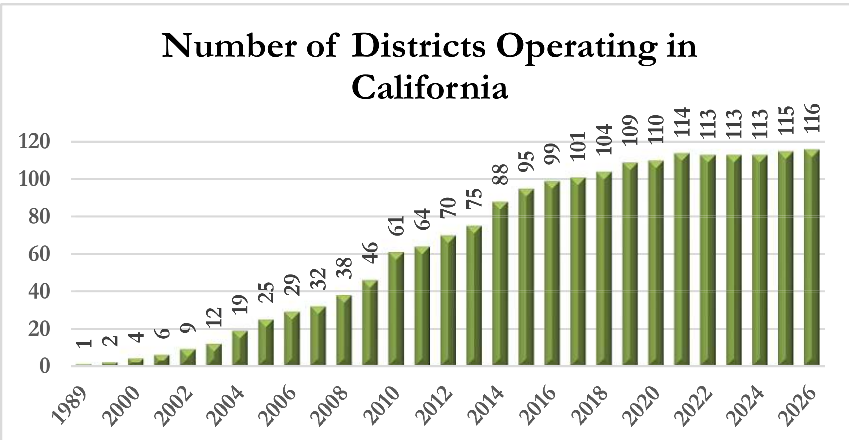
Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest and overdue charges) from each assessed business located in the boundaries of the HTID. The City shall take all reasonable efforts to collect the assessments from each assessed business.

Duration: The proposed HTID will have a five (5) year life, beginning July 1, 2027, or as soon as possible thereafter, and ending five (5) years from its start date. After five (5) years, the HTID may be renewed pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq. (94 Law) if assessed business owners support continuing the HTID programs.

Management: The Hollywood Partnership (THP) will serve as the HTID's Owners' Association, under contract with the City. THP is charged with managing funds and implementing programs in accordance with this Plan, reviewing HTID budgets and policies annually within the limitations of this Plan, and providing annual and quarterly reports, financial statements and newsletters to the City.

II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Illinois, Minnesota, Massachusetts, Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TID. Additionally, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over $300 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Hollywood lodging businesses continue to invest in stable, commerce-specific programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow business owners to organize their efforts to increase commerce. Business owners within the TID pay an assessment and those funds are used to provide services that increase commerce.

In California, most TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that <u>funds raised are returned to the private non-profit corporation</u> governing the district.*

There are many benefits to TIDs:

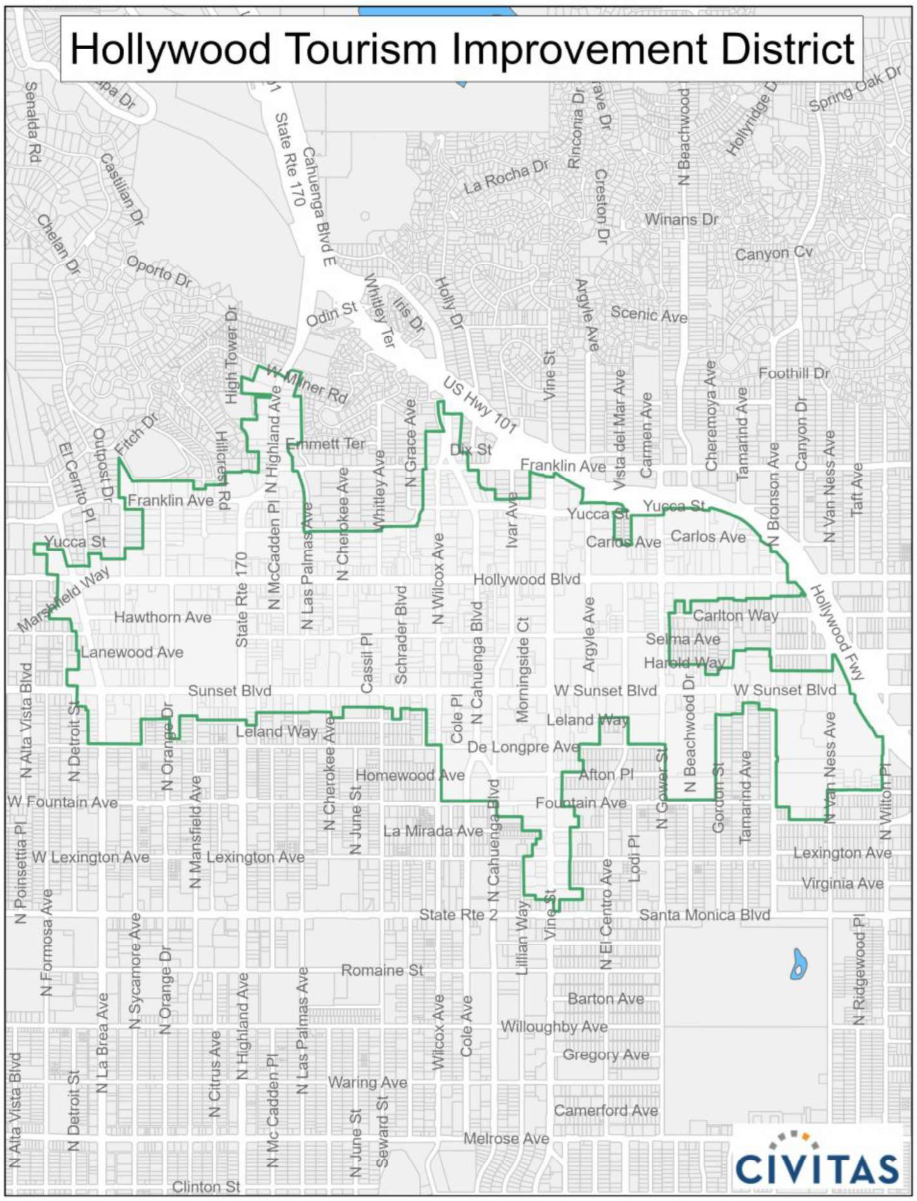
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The HTID will include all lodging businesses (available for public occupancy), existing and in the future, located generally within the boundaries of the Hollywood Regional Center portion of the City of Los Angeles as shown on the map below.

Lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, short-term rental, home-sharing, motel, studio, hostel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structure or portion thereof.

A complete listing of assessed businesses within the proposed HTID can be found in Appendix 2.



IV. ASSESSMENT BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the HTID funds include Tourism & Visitor Experience Services, and other improvements and activities set forth in this Plan, available only to assessed businesses.

A service plan assessment budget has been developed to deliver services that benefit the assessed businesses. A detailed annual assessment budget will be developed and approved by THP. The table below illustrates the initial annual assessment budget allocations. These activities and allocations will also apply in subsequent years. The total initial assessment budget is estimated to be $2,700,000.

Budget Category	Initial Allocation	Initial Budget
Tourism & Visitor Experience Services	90%	$2,430,000
Administration	9%	$243,000
City Collection Fee	1%	$27,000
Total	**100%**	**$2,700,000**

Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the THP board shall have the authority to adjust budget allocations between the categories by no more than ten percent (10%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. Any and all assessment funds may be used for the costs of defending the HTID in the event of a legal challenge, for contributing to reserves, or for renewal of the HTID. Policies relating to contributions to the reserves, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the THP board. In the first year of operation, the costs of creating the HTID may be repaid using assessment funds. Repayment costs shall not exceed $250,000.

Each budget category includes all costs related to providing that service. For example, the Tourism & Visitor Experience Services budget includes the cost of staff time dedicated to overseeing and implementing the Tourism & Visitor Experience Services program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories. The staffing levels necessary to provide the services below will be determined by the THP board on an as-needed basis.

Tourism & Visitor Experience Services

A Tourism & Visitor Experience Services program will promote assessed businesses as tourist, meeting, and event destinations. The Tourism & Visitor Experience Services program will have a central theme of promoting the Hollywood destination as a desirable place for overnight visits. The program will have the goal of increasing demand for overnight visitation and room night sales at assessed businesses, and may include the following activities:

Visitor Experience Monitoring / Development

The Visitor Experience Monitoring/Development program will provide funding for programs and initiatives that focus on the entire destination brand footprint to ensure a consistent brand experience. Services may include, but are not limited to:

- Implementation and operation of one or more visitor centers;
- Implementation and operation of one or more information kiosks;
- An ambassador program, hospitality and/or concierge services to improve the overall destination experience and encourage overnight visitation and repeat visits;
- Monitor visitor sentiment to identify gaps between experience and expectations and implement strategies to improve satisfaction;
- Research and data subscriptions to analyze visitor behavior and destination performance;
- Sustainability programs that offset impacts of tourist visitation within the region;
- Brand-centric visitor services training program for both public and private sector staff; and
- Hospitality training and education resources for assessed lodging businesses to support staff development, industry best practices, and a consistently exceptional visitor experience;

Event Planning Assistance / Group Sales

The Event Planning Assistance/Group Sales program will have the goal of increasing demand for overnight visitation and room night sales at assessed lodging businesses, and may include the following activities:

- Lead generation activities designed to attract tourists and group events to assessed lodging businesses;
- Maintaining an experienced sales staff to target the meeting and conference market to generate overnight visitation and room sales to assessed lodging businesses;
- Maximizing alliances with professional organizations that target group business, or database services that track group opportunities to develop new leads for assessed lodging businesses;
- Developing partnerships with regional destinations, venues, and businesses in order to support enhancements to group business offerings;
- Incentivizing conferences and meetings to book at the destination to increase overnight visitation at assessed lodging businesses; and
- Creation and/or sponsorship of events and experiences to drive leisure room nights to the destination and to assessed businesses during projected slow periods.

Destination Marketing and Publicity

A Destination Marketing and Publicity program will promote assessed businesses as tourist, meeting, and event destinations. The Destination Marketing and Publicity program will have a central theme of promoting the destination as a desirable place for overnight visits. The program will have the goal of increasing demand for overnight visitation and room night sales at assessed lodging businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed lodging businesses;
- Print ads in magazines and newspapers targeted at potential visitors to drive overnight visitation and room sales to assessed lodging businesses;
- Television ads targeted at potential visitors to drive overnight visitation and room sales to assessed lodging businesses;
- Radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed lodging businesses;

- Sales blitzes for assessed lodging businesses;
- Familiarization tours of assessed lodging businesses and the destination;
- Preparation and production of collateral promotional materials such as brochures, visitor guides, flyers and maps featuring assessed lodging businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed lodging businesses;
- Development and implementation of a public relations and communications strategy, inclusive of social media outlets and press release distribution designed to drive overnight visitation at assessed lodging businesses;
- Development and maintenance of a comprehensive website as a resource for assessed lodging businesses;
- Director of Sales, Marketing and/or General Manager meetings to plan and coordinate tourism promotion efforts for assessed lodging businesses;
- Providing timely and regular communications and information for assessed lodging businesses including reports, newsletters, social media, and email; and
- Local marketing and public relations campaigns to encourage job seekers to consider professions in the lodging industry and relevant industry employment research.

Administration
The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs including but not limited to insurance, audit, legal, and accounting fees.

The administration portion of the budget may also be used as a contingency line item to account for unexpected circumstances, such as uncollected assessments or higher than anticipated program costs. If actual costs are higher than anticipated, contingency funds may be used to cover the difference, at the discretion of THP.

Any administrative funds not needed for the purposes outlined above may also be utilized for other HTID program costs, renewal, or for any other organization expenses in this Plan for the benefit of the assesses, including allocations to reserves, at the discretion of THP.

City Collection Fee
The City shall retain a fee equal to one percent (1%) of the amount of assessments collected, to cover collection and administration costs.

B. Annual Budget

The total five (5) year assessment budget is projected at approximately $2,700,000 annually, or $13,500,000 through 2031. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do and as businesses open and close.

C. California Constitutional Compliance

The HTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.[1] Rather, the HTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these

[1] *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

exceptions apply to the HTID, a "specific benefit" and a "specific government service." Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, "a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege."[2] The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the HTID. The activities described in this Plan are specifically targeted to increase demand for room night sales for assessed lodging businesses within the boundaries of the HTID and are narrowly tailored. HTID funds will be used exclusively to provide the specific benefit of increased demand for room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed businesses in HTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses. Nothing in this Plan limits the ability of the Owners' Association to enter into private contracts with non-assessed businesses for the provision of services to those businesses.

The assessment imposed by this HTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in demand for room night sales. The specific benefit of an increase in demand for room night sales will be provided only to businesses paying the district assessment, with Tourism & Visitor Experience Services programs promoting businesses paying the HTID assessment. The Tourism & Visitor Experience Services programs will be designed to increase demand for room night sales at each assessed business. Because they are necessary to provide the Tourism & Visitor Experience Services programs that specifically benefit the assessed businesses, the administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed businesses.

Although the HTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, "A specific benefit is not excluded from classification as a 'specific benefit' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor."[3]

2. Specific Government Service

The assessment may also be utilized to provide, "a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product."[4] The legislature has recognized that marketing and promotions services like those to be provided by the HTID are government services within the meaning of Proposition 26[5]. Further, the legislature has determined that "a specific government service is not excluded from classification as a 'specific government

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[2] Cal. Const. art XIII C § 1(e)(1)
[3] Government Code § 53758(a)
[4] Cal. Const. art XIII C § 1(e)(2)
[5] Government Code § 53758(b)

service' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor."[6]

3. Reasonable Cost

HTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by THP, and reports submitted on an annual and quarterly basis to the City. Only assessed businesses will be featured in marketing materials, receive sales leads generated from HTID-funded activities, be featured in advertising campaigns, and benefit from other HTID-funded services. The assessed business list was compiled from records provided by the jurisdiction and complies with the requirements of the 94 Law. Pursuant to Streets and Highways Code Section 36615, the City Council's determination of ownership is final and conclusive, with no obligation to obtain other information. Non-assessed businesses will not receive these, nor any other, HTID-funded services and benefits.

The HTID-funded programs are targeted directly to benefit assessed businesses. It is, however, possible that there will be a spillover benefit to non-assessed businesses. If non-assessed businesses receive incremental business sales, that portion of the promotion or program generating those business sales shall be paid with non-HTID funds. HTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental business sales for non-assessed businesses.

D. Assessment

1. Assessment Rate

The annual assessment rate is 1.5% of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on: Stays of more than thirty (30) consecutive days; any Federal or State of California officer or employee, including employees of federal credit unions, who provides proof that the officer or employee is on official Federal or State business; any officer or employee of a foreign government who is exempt by express provision of federal law or international treaty; any person to whom rent is charged at the rate of $2.00 per day or less; or any person as to whom, or any occupancy as to which, rent is paid from funds administered by the Emergency Food and Shelter National Board Program.

The assessment was calculated based on the total cost of the activities to be provided for the benefit of the businesses within the HTID, with costs allocated based on the proportional benefit conferred to each business. Activities funded by the HTID, are specifically targeted to increase room nights at assessed businesses. All room night sales do not represent the same benefit to the payors. For example, a higher priced room night is of greater benefit than a lower priced room night because the assessee derives greater revenue. To account for this benefit differential and to make sure the benefits are proportional, an assessment formula based on a percentage of revenue has been selected. The proposed formula accurately reflects greater benefit to assessed businesses with higher priced room nights.

The term "gross short term sleeping room rental revenue" as used herein means: the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Nothing in this definition shall be construed to mean that rent is charged directly or indirectly for the occupancy of space in a

[6] Government Code § 53758(b)

hotel when that space is provided to the occupant as a compliment from the operator and where no consideration is charged to or received from any other person. Gross short term sleeping room rental revenue shall not include, and therefore the assessment shall not be charged upon, any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

2. **Disclosure of the Assessment**

The assessment is levied upon and a direct obligation of the assessed business. However, the assessed business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of consideration charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the HTID assessment is identified separately it shall be disclosed as the "HTID Assessment." As an alternative, the disclosure may include the amount of the HTID assessment and the amount of the assessments imposed pursuant to other tourism district assessments and/or the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism Assessments." The assessment is imposed solely upon, and is the sole obligation of the assessed business even if it is passed on to transients. The assessment shall not be considered revenue for calculation of transient occupancy taxes.

3. Bonds

Bonds shall not be issued.

E. Interest and Overdue Charges

The HTID shall reimburse the City for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent HTID assessment are sought to be recovered in the same collection action by the City, the HTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any assessed business which fails to remit any assessment imposed within the time required shall pay an overdue charge of five percent (5%) of the amount of the unpaid assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any assessed business which fails to remit any delinquent assessment on or before the last day of:
   - i. The first month in which the assessment first became delinquent, shall pay a second overdue charges of five percent (5%) of the amount of the assessment in addition to the amount of the assessment and the five percent (5%) overdue charge first imposed;
   - ii. The second month in which the assessment first became delinquent, shall pay a third overdue charge of five percent (5%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) in accumulated overdue charges previously imposed;
   - iii. The third month in which the assessment first became delinquent, shall pay a fourth overdue charge of five percent (5%) of the amount of the assessment in addition to the amount of the assessment and the fifteen percent (15%) in accumulated overdue charges previously imposed; and
   - iv. The fourth month in which the assessment first became delinquent, shall pay a fifth overdue charge of twenty percent (20%) of the amount of the assessment in addition to the amount of the assessment and the twenty percent (20%) in accumulated overdue charges previously imposed.
3. *Fraud:* If the City determines that the nonpayment of any assessment due is due to fraud, an overdue charge of twenty-five percent (25%) of the amount of the assessment shall be added, in addition to the overdue charges stated in sections 1 and 2 of this section.

4. *Interest:* In addition to the overdue charges imposed, any assessed business which fails to pay any assessment required to be paid shall pay interest on the amount of the assessment, exclusive of any overdue charge, from the date on which the assessment first became delinquent until the date it is paid, during each calendar year at the rate per month, or fraction of the month, determined by dividing by 12 the sum of the average Federal short-term rate during the months of July, August and September of the previous calendar year plus three percentage points. Unless the monthly rate is evenly divisible by one-tenth of a percentage point, it shall be rounded up to the next highest one-tenth of a percentage point.
5. *Overdue Charges Merged With Assessment:* For collection purposes only, every overdue charge imposed and the interest that is accrued under the provisions of this section shall become a part of the assessment required to be paid.

F. Time and Manner for Collecting Assessments

The HTID assessment will be implemented beginning July 1, 2027, or as soon as possible thereafter, and end five (5) years from its start date. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest and overdue charges) from each assessed business. The City shall take all reasonable efforts to collect the assessments from each business. The City shall forward the assessments collected to THP, less the one percent (1%) City Collection Fee.

V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the HTID as defined in Streets and Highways Code §36612. The City Council has determined that The Hollywood Partnership (THP) will serve as the Owners' Association for the HTID, pursuant to a contract with the City of Los Angeles and shall be subject to the City's terms and conditions. THP will review HTID district budgets and policies annually within the limitations of this Management District Plan. Annual and quarterly reports, financial statements, and newsletters will be filed with the City of Los Angeles. THP will oversee the day-to-day implementation of services as defined in this Management District Plan.

B. Brown Act and California Public Records Act Compliance

An Owners' 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. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the Board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

C. Segregation of HTID Funds

Any HTID assessment funds that are received by THP shall be held in a separate THP bank account.

D. Annual Report

The THP shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- 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.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

CURRENT THROUGH CH. 790 OF THE LEGISLATION FROM THE 2025-2026 REGULAR SESSION, EFFECTIVE AS OF OCTOBER 13, 2025

STREETS AND HIGHWAYS CODE
DIVISION 18. PARKING
PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
(2) Job creation.
(3) Business attraction.
(4) Business retention.
(5) Economic growth.
(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those

special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.
(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:
(a) Promotion of public events.
(b) Furnishing of music in any public place.
(c) Promotion of tourism within the district.
(d) Marketing and economic development, including retail retention and recruitment.
(e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
(f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. "Clerk"

"Clerk" means the clerk of the legislative body.

36609.5. "General benefit"

"General benefit" means, for purposes of a property-based district, any benefit that is not a "special benefit" as defined in Section 36615.5.

36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

(a) Parking facilities.
(b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
(c) Trash receptacles and public restrooms.
(d) Lighting and heating facilities.
(e) Decorations.
(f) Parks.
(g) Fountains.
(h) Planting areas.
(i) Closing, opening, widening, or narrowing of existing streets.
(j) Facilities or equipment, or both, to enhance security of persons and property within the district.
(k) Ramps, sidewalks, plazas, and pedestrian malls.
(l) Rehabilitation or removal of existing structures.

36611. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

36612. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' 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. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

(a) “Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

(b) “Special benefit” also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
(1) A map showing the boundaries of the district.
(2) Information specifying where the complete management district plan can be obtained.
(3) Information specifying that the complete management district 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 improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. 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 improvements, maintenance, and activities, and the location and extent of the proposed district.
(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:
(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
(b) The name of the proposed district.
(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the estimated cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities

and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against their property or business. The plan also shall state whether bonds will be issued to finance improvements.
(g) The time and manner of collecting the assessments.
(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
(i) The proposed time for implementation and completion of the management district plan.
(j) Any proposed rules and regulations to be applicable to the district.
(k)

(1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
(3) In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.

(l) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
(m) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be

mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

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 improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and 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 shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties 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 improvements, maintenance, or activities 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. Notwithstanding the foregoing, improvements and activities that must be provided outside the

district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or 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.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.
(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.
(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:
(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.
(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.
(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.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

36638. Assessment as government imposed fee on Civ C § 1770 transaction

(a) A business assessment pursuant to this part is a fee imposed by a government on the transaction for purposes of paragraph (29) of subdivision (a) of Section 1770 of the Civil Code.
(b) This section shall become operative on July 1, 2024.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.
(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.
(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' 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 property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.
(b) The report shall be filed with the clerk and shall refer to the property and business improvement 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 in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
(2) The improvements, maintenance, and activities to be provided for that fiscal year.
(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.
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, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
(b) Upon renewal, 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 parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by 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, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses 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.

(b) The city council shall adopt a resolution of intention to disestablish 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 property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal 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, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses 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 or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.
(b) 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.

APPENDIX 2 – ASSESSED BUSINESSES

Lodging Business Name	Address
Banana Bungalow Hollywood Hotel & Hostel	5920 Hollywood Blvd; Hollywood CA 90028
Best Western Hollywood Plaza Inn Hotel	2011 N Highland Ave; Hollywood CA 90068
Budget Inn Hollywood	6830 W Sunset Blvd; Los Angeles CA 90028
Dream Hollywood	6417 Selma Ave; Hollywood CA 90028
Dusk Hotel	7051 W Sunset Blvd; Los Angeles CA 90028
H California Hostel	6118 Carlos Ave; Los Angeles CA 90028
Hampton Inn & Suites Los Angeles/Hollywood	1133 Vine St; Los Angeles CA 90028
Highland Gardens Hotel	7047 Franklin Ave; Los Angeles CA 90028
Hilton Garden Inn Los Angeles/Hollywood	2005 N Highland Ave; Los Angeles CA 90068
Holiday Inn Express & Suites	1921 N Highland Ave; Los Angeles CA 90068
Hollywood Celebrity Hotel	1775 Orchid Ave; Los Angeles CA 90028
Hollywood Guest Inn	6700 W Sunset Blvd; Los Angeles CA 90028
Hollywood Highland Hotel and Hostel	7038 ½ Hollywood Blvd; Los Angeles CA 90028
Hollywood La Brea Inn	7110 Hollywood Blvd; Los Angeles CA 90028
Hollywood Le Bon Hotel	1610 Argyle Ave; Los Angeles CA 90028
Hollywood Palms Inn & Suites	6055 W Sunset Blvd; Los Angeles CA 90028
Hollywood VIP Hotel	1770 Orchid Ave; Hollywood CA 90028
Hollywood Volume	6516 Selma Ave; Los Angeles CA 90028
Hollywood Walk of Fame Hotel	1818 Vine St; Los Angeles CA 90028
Hotel H-Wood	6826 W Sunset Blvd' Los Angeles CA 90028
Hotel Rudra	6772 Hawthorn Ave; Los Angeles CA 90028
Hotel West Inn	1617 N Cahuenga Blvd; Los Angeles CA 90028
Kasa Sunset Los Angeles	5825 W Sunset Blvd; Los Angeles CA 90028
Kimpton Everly Hotel Hollywood	1800 Argyle Ave; Los Angeles CA 90028
Las Palmas Hotel	1738 N Las Palmas Ave; Los Angeles CA 90028
Legend Hotel Hollywood	1822 N Cahuenga Blvd; Hollywood CA 90028
Lexen Hotel Hollywood	2018 N Highland Ave; Hollywood CA 90068
Loews Hollywood Hotel	1755 N Highland Ave; Los Angeles CA 90028
Magic Castle Hotel	7025 Franklin Ave; Hollywood CA 90028
Motel 6 Hollywood	1738 Whitley Ave; Los Angeles CA 90028
Orange Drive Hostel	1764 N Orange Dr; Hollywood CA 90028
Palihotel Hollywood	7023 W Sunset Blvd; Hollywood CA 90028
Podshare Hollywood	1631 Cosmo St; Los Angeles CA 90028
Quality Inn Hollywood	1520 N La Brea Ave; Los Angeles CA 90028
Retan Hotel	1732 Whitley Ave; Los Angeles CA 90028
Samesun Hollywood Hostel	6820 Hollywood Blvd; Los Angeles CA 90028
The Aster	1717 Vine St; Los Angeles CA 90028
The Canterbury Suites	1746 N Cherokee Ave; Los Angeles CA 90028
The Godfrey Hotel Hollywood	1400 N Cahuenga Blvd; Los Angeles CA 90028
The Hollywood Roosevelt	7000 Hollywood Blvd; Los Angeles CA 90028
The Hotel Hollywood	6364 Yucca St; Hollywood CA 90028
Thompson Hollywood	1541 Wilcox Ave; Los Angeles CA 90028
Trylon Hotel	6515 Franklin Ave; Hollywood CA 90028
Vibe Hotel	5922 Hollywood Blvd; Los Angeles CA 90028
W Hollywood Hotel & Residences	6250 Hollywood Blvd; Hollywood CA 90028

Whiskey Hotel Hollywood	1717 Wilcox Ave; Los Angeles CA 90028

**Jurisdiction list as of April 2026. The list was developed using the most reliable information available. While every effort was made to ensure accuracy, the list may contain discrepancies. Any business located within the boundaries of the HTID that may have been inadvertently omitted shall nonetheless be subject to assessment.*