

2020-2030



**BUTTE COUNTY TOURISM BUSINESS
IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN**

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

May 14, 2020

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I. OVERVIEW

Developed by Explore Butte County, the Butte County Tourism Business Improvement District (BCTBID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. The BCTBID was formed in 2015 for a five (5) year term; assessed lodging businesses now wish to renew it for an additional ten (10) years.

Location: The renewed BCTBID includes all lodging businesses with four (4) rooms or more located within the boundaries of Butte County including the cities of Chico, Oroville, Gridley, and Biggs, the Town of Paradise, and all unincorporated communities and areas, as shown on the map in Section IV.

Services: The BCTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing, sales, destination product development, and visitor service enhancements will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total BCTBID annual budget for the initial year of its ten (10) year operation is anticipated to be approximately \$564,600.

Cost: The annual assessment rate is two percent (2%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, with the exception of Oroville, whereby assessments will not be collected on stays of more than sixty (60) consecutive days. During the ten (10) year term, the assessment rate may be increased by the Owners' Association in maximum increments of one half of one percent (0.5%), to a maximum of four percent (4%) of gross short-term room rental revenue as described in Section V.

Collection: The County, cities, and Town will be responsible for collecting the assessment on a monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the BCTBID. The County, cities, and Town shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed BCTBID will have a ten (10) year life, beginning December 1, 2020 through November 30, 2030. Once per year, beginning on the anniversary of BCTBID renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a Board of Supervisors hearing on BCTBID termination.

Management: Explore Butte County will continue to serve as the BCTBID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the Board of Supervisors.

II. ACCOMPLISHMENTS

History and Accomplishments

The Butte County Tourism Improvement District (BCTBID) was formed in November of 2015 and has been managed by Explore Butte County (EBC). Explore Butte County activities have increased tourism and visitor spending for local hotels and businesses. Strategic marketing plans have been implemented each year, encompassing a wide variety of tactics, while core objectives and goals have remained constant:

- **Mission**
 - To promote Butte County as a visitor destination through a variety of marketing programs that generate room nights, hotel revenues, and Transient Occupancy Tax (TOT) for the properties participating in the TBID.
- **Goals**
 - Develop and implement county-wide tourism programs;
 - Position Butte County as a year-round travel destination that provides a quality visitor experience;
 - Increase tourism spending and hotel revenue in Butte County;
 - Promote tourism that optimizes Butte County's assets, including its location, recreation, agriculture and history;
 - Contribute to the economic prosperity and regional development; and
 - Support the attributes of the communities participating in the TBID (Chico, Oroville, Paradise, Biggs, Unincorporated County).

Accomplishments

- District was formed and began collecting assessments.
- Comprehensive marketing and organizational strategy completed by board of directors and consultant.
- Creative agency was hired.
- Creative brand was established.
- Website was developed and launched.
- Creation of organizational structure, policies, and systems.
- Marketing campaign was launched and entered into the marketplace. The marketing campaign includes: print, digital campaigns, social media channels, and public relations.
- Photography asset library developed with a variety of local content creators, including edited video and photography for sharing.
- Creation and distribution of branded rack cards to promote travel and tourism.
- The Official Butte County Visitor Guide was designed and created; 5,000 were distributed in the first 6 months to hotels, travel groups, familiarization groups, Visit California leads, and online requests.
- Nationally-recognized Certified Tourism Ambassador (CTA) program was deployed in Butte County; 64 ambassadors have been certified since the launch in October of 2019.
- Monthly direct-to-consumer opt-in newsletter program was created; there are more than 2,500 subscribers.
- Supported local marketing initiatives through the zone marketing sponsorship and granted more than \$141,000 for local events and campaigns coordinated by other organizations.
- Presented to Visit California during its October 2018 Destination Third Thursday, with the first-ever Facebook Live of the event which has built a foundation for continued promotion of Butte County.

- Coordinated, in conjunction with Chico, Oroville, and Paradise chambers of commerce and downtown associations, and implemented Butte County Restaurant Week, a 10-day food event encouraging visitors to dine at participating restaurants.
- Designed and implemented the inaugural Museum Weekend, a county-wide free arts and culture event, in conjunction with area museums and cultural locations.
- Secured coverage in Forbes, Men’s Journal, Visit California, Shasta Cascade Wonderland Association, San Francisco Chronicle, and others.

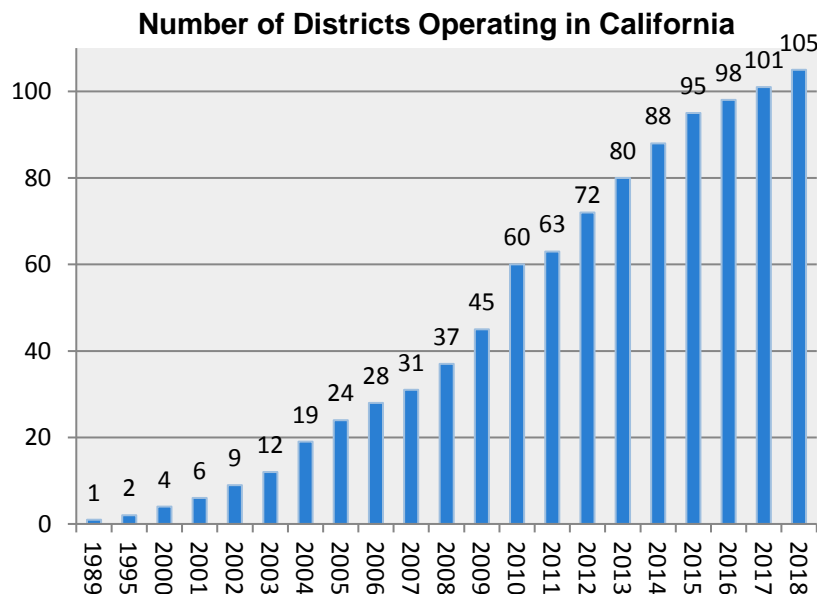
Lodging Occupancy Rates, Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) are three industry metrics tracked to monitor overnight tourism to a destination. The chart below shows the growth for all three metrics over the life of the BCTBID. Of note is that natural disasters in the area did inflate all three, and inventory was lost during the Camp Fire of 2018.

The following are the metrics for Butte County lodging for the last 4 years:

Year	Occupancy Rate	ADR	RevPAR
2016	65.2%	\$94.22	\$61.54
2017	71%	\$99.58	\$70.99
2018	73%	\$103	\$75.42
2019	80%	\$117.52	\$94.60

III. BACKGROUND

TBIDs are an evolution of the traditional Business Improvement District. The first TBID 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 – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TBID 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 TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TBIDs without a state law.



California’s TBIDs collectively raise over \$275 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Butte County lodging businesses continue to invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging

business owners within the TBID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TBIDs 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 TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBIDs:

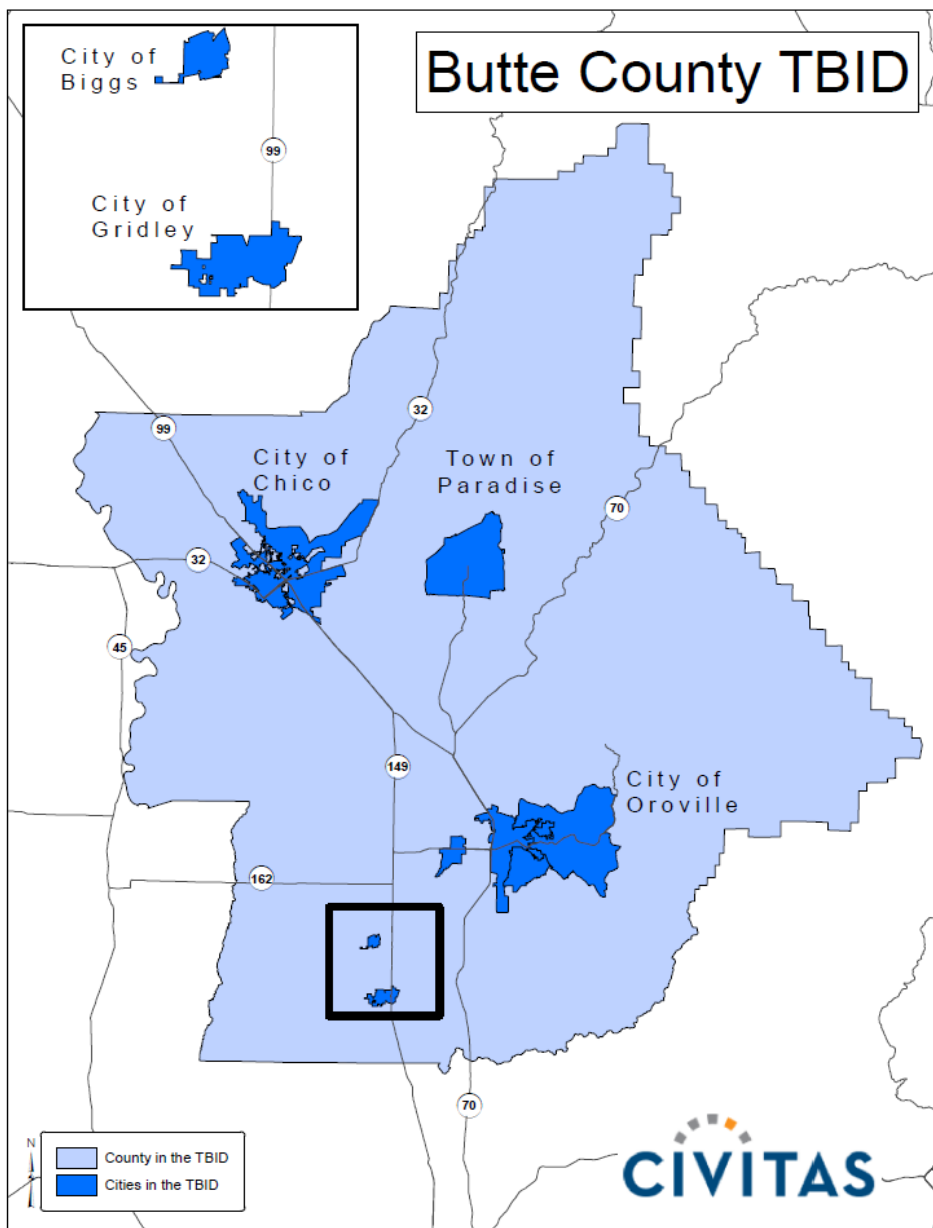
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are **designed,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

IV. BOUNDARY

The BCTBID will include all lodging businesses with four (4) rooms or more, existing and in the future, available for public occupancy within the boundaries of Butte County including the cities of Chico, Oroville, Gridley, and Biggs, the Town of Paradise, and all unincorporated communities and areas.

Lodging business means: Any building, portion of a building, reserved outdoor space, or other premises or area rented for use by transients for overnight accommodations. A lodging business shall refer to the following premises, including but not limited to: motel, hotel, inn, bed and breakfast, rooming house, recreational vehicle park, campground, or parking area.

The boundary, as shown in the map below, currently includes fifty-one (51) lodging businesses. A complete listing of lodging businesses within the renewed BCTBID can be found in Appendix 2.

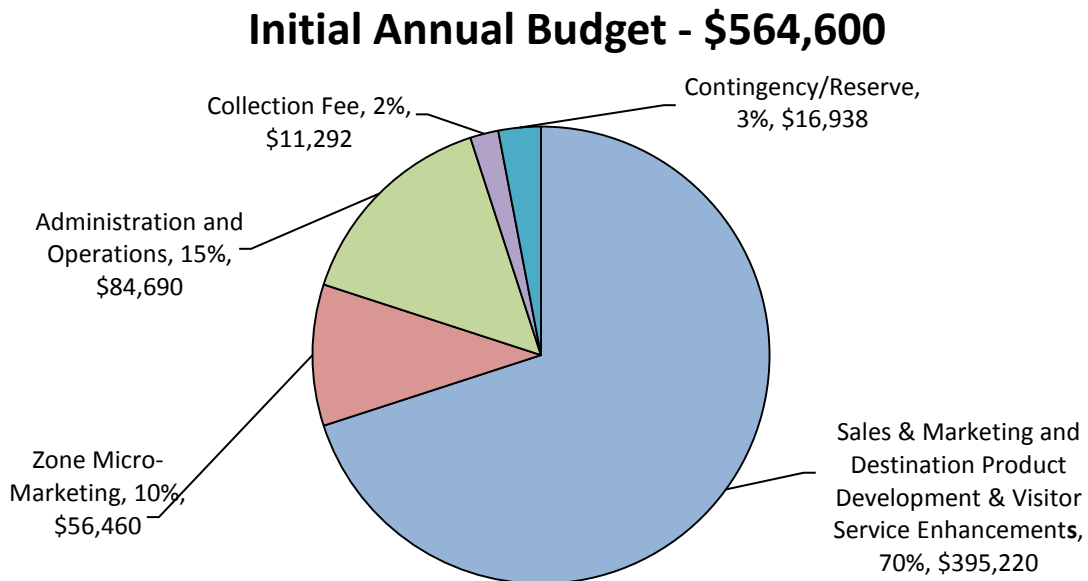


V. BUDGET AND SERVICES

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 local jurisdictions of conferring the benefits or granting the privileges. The privileges and services provided with the BCTBID funds are marketing, sales, destination product development, and visitor service enhancement programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit the assessed businesses. A detailed annual budget will be developed and approved by Explore Butte County. The table below illustrates the initial annual budget allocations. The total initial budget is \$564,600.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the Board of Supervisors and the Explore Butte County board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) 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. In the event of a legal challenge against the BCTBID, any and all assessment funds may be used for the costs of defending the BCTBID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing 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, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the Explore Butte County on an as-needed basis.

Sales & Marketing and Destination Product Development & Visitor Service Enhancements

Sales & Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting all Butte County jurisdictions as desirable places for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities, but are not limited to:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television and radio ads targeted to potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers, and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Education of lodging business management and the Owners' Association on marketing strategies best suited to meet assessed businesses' needs; and
- Community organization grants to promote events and activities that target potential visitors to drive overnight visitation and room sales to assessed businesses.

Destination Product Development

Destination product development projects will be designed to improve the visitor experience in an effort to increase overnight visitation at assessed lodging businesses. As the total number of rooms sold and room prices increases over time, the amount of available funds for projects will increase. Working collaboratively with the County and jurisdiction stakeholders, the Explore Butte County Board will develop specific funding criteria. Projects may include but are not limited to:

- Comprehensive and integrated wayfinding signage system, including signage to parking decks and lots;
- Rubber tire trolley transportation program connecting assessed lodging businesses with downtown and other attractions, to increase room night sales;
- Art and cultural projects, to attract overnight visitors;
- Gateway enhancements, to attract overnight visitors;
- Improvements to existing parks and sports facilities utilized by overnight visitors;
- Live music venue support which attracts overnight visitors; and
- Infrastructure improvements that enhance the destination's competitive position to attract desirable special events year around and attract overnight visitors.

Visitor Service Enhancements

Visitor services enhancement programs will provide potential funding for programs and initiatives based on criteria to be developed by the Owners' Association. The focus of the visitor services

enhancement program will be on the entire destination brand footprint to ensure a consistent brand experience throughout the destination. Visitor services enhancements may include but are not limited to:

- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed businesses;
- Welcome Center and Kiosk improvements including new technology-driven visitor information enhancements; and
- Brand-centric visitor services training program for both public and private sector staff.

Zone Micro-Marketing

Ten percent (10%) of the budget, approximately \$56,460, shall be dedicated to individual zones for zone-specific tourism improvement activities as described below. The zone marketing funds will be utilized for local zone activities that promote, support and enhance zone-based tourism marketing efforts. These programs are an exclusive privilege and shall provide the direct, specific benefit of incremental room night sales to assessed businesses in that Zone. Individual zone marketing funding is designed to support zone-based activities that promote, support and increase room night sales, including but not limited to the same benefits of the BCTBID's Sales and Marketing services. The zones that will receive zone micro-marketing funds are: Chico, Gridley, Oroville, Paradise, Biggs, and the unincorporated County

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

Collection Fee

Each local jurisdiction shall be paid a fee equal to no more than two percent (2%) of the amount of assessment collected, within their respective jurisdictions, to cover collection and administration costs.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the Explore Butte County Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Explore Butte County Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the Explore Butte County Board. The reserve fund may be used for the costs of renewing the BCTBID.

B. Annual Budget

The total ten (10) year improvement and service plan budget is projected at approximately \$564,600 annually, or \$10,882,094 through 2030 if the optional, maximum assessment rate increases are implemented. This amount may fluctuate as sales increase or decrease at assessed businesses and if the maximum assessment rate increases are implemented. If the maximum assessment rate increases are implemented at the soonest available time frame, the annual budget will increase as estimated in the following table. The table below demonstrates the estimated maximum budget with the assumption that the assessment rates will be increased. Explore Butte County's Board may increase the assessment rate in maximum increments of one half of one percent (0.5%), to a maximum

assessment rate of four percent (4%). The first incremental increase would not occur sooner than 2022-23. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for anticipated room rate inflation.

The assessment rate might not increase starting in 2022-23, the increases may be implemented in later years at the discretion of Explore Butte County’s Board. The table below demonstrates the maximum with the assumption that the rates will be increased in 2022-23, 2023-24, 2024-25, and 2025-26 as it is a required disclosure, it is not the anticipated course of action. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of BCTBID efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TBID budgets.

**Estimated Annual Budget If Maximum Assessment Rates Are Adopted
2020-2030**

Year	SMDPDVSE	Zone Micro-Marketing	Admin & Operations	Contingency / Reserve	Collection Fee	Total
2020-21	\$395,220	\$56,460	\$84,690	\$16,938	\$11,292	\$564,600
2021-22	\$407,077	\$58,154	\$87,231	\$17,446	\$11,631	\$581,538
2022-23	\$524,111	\$74,873	\$112,310	\$22,462	\$14,975	\$748,730
2023-24	\$647,801	\$92,543	\$138,815	\$27,763	\$18,509	\$925,430
2024-25	\$778,397	\$111,200	\$166,799	\$33,360	\$22,240	\$1,111,995
2025-26	\$916,319	\$130,903	\$196,354	\$39,271	\$26,181	\$1,309,027
2026-27	\$943,808	\$134,830	\$202,245	\$40,449	\$26,966	\$1,348,297
2027-28	\$972,122	\$138,875	\$208,312	\$41,662	\$27,775	\$1,388,746
2028-29	\$1,001,286	\$143,041	\$214,561	\$42,912	\$28,608	\$1,430,409
2029-30	\$1,031,325	\$147,332	\$220,998	\$44,200	\$29,466	\$1,473,321
Total	\$7,617,466	\$1,088,209	\$1,632,314	\$326,463	\$217,642	\$10,882,094

The table below demonstrates the annual improvement and service plan budget with the assumption that the rates will not be increased during the district’s ten (10) year term. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of BCTBID efforts.

**Estimated Annual Budget If Maximum Assessment Rates Are Not Adopted
2020-2030**

Year	SMDPDVSE	Zone Micro-Marketing	Admin & Operations	Contingency / Reserve	Collection Fee	Total
2020-21	\$395,220	\$56,460	\$84,690	\$16,938	\$11,292	\$564,600
2021-22	\$407,077	\$58,154	\$87,231	\$17,446	\$11,631	\$581,538
2022-23	\$419,289	\$59,898	\$89,848	\$17,970	\$11,980	\$598,984
2023-24	\$431,868	\$61,695	\$92,543	\$18,509	\$12,339	\$616,954
2024-25	\$444,824	\$63,546	\$95,319	\$19,064	\$12,709	\$635,462
2025-26	\$458,168	\$65,453	\$98,179	\$19,636	\$13,091	\$654,526
2026-27	\$471,913	\$67,416	\$101,124	\$20,225	\$13,483	\$674,162
2027-28	\$486,071	\$69,439	\$104,158	\$20,832	\$13,888	\$694,387
2028-29	\$500,653	\$71,522	\$107,283	\$21,457	\$14,304	\$715,218
2029-30	\$515,672	\$73,667	\$110,501	\$22,100	\$14,733	\$736,675
Total	\$4,530,754	\$647,251	\$970,876	\$194,175	\$129,450	\$6,472,506

C. California Constitutional Compliance

The BCTBID 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 BCTBID 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 exceptions apply to the BCTBID, 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 County 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 BCTBID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the BCTBID, and are narrowly tailored. BCTBID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in BCTBID 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.

The assessment imposed by this BCTBID 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 room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing, sales, destination product development, and visitor service enhancements promoting lodging businesses paying the BCTBID assessment. The marketing, sales, destination product development, and visitor service enhancements programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing, sales, destination product development, and visitor service enhancements programs that specifically benefit the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the BCTBID, 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

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

² Cal. Const. art XIII C § 1(e)(1)

³ Government Code § 53758(a)

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 BCTBID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government 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

BCTBID 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 the Explore Butte County, and reports submitted on an annual basis to the County Board of Supervisors. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from BCTBID-funded activities, be featured in advertising campaigns, and benefit from other BCTBID-funded services. Non-assessed lodging businesses will not receive these, nor any other, BCTBID-funded services and benefits.

The BCTBID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-BCTBID funds. BCTBID 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 room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is two percent (2%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, with the exception of Oroville, whereby assessments will not be collected on stays of more than sixty (60) consecutive days.

During the ten (10) year term, the assessment rate may be increased by the Explore Butte County’s Board to a maximum of four percent (4%) of gross short-term room rental revenue. If the assessment rate is increased, it may subsequently be decreased but shall not be decreased below a minimum of two percent (2%) of gross short-term room rental revenue. The maximum increase or decrease in any year shall be one-half of one percent (0.50%).

The term “gross room rental revenue” as used herein means: any fee, charge, or other valuable consideration received by a lodging business as gross proceeds paid by a transient for lodging. Gross room rental revenue shall be valued in money, whether it is received in money or in-kind goods and services. Gross room rental revenue shall include all services of any kind or nature prior to any deduction for any reason whatever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging 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 rent charged and any other applicable taxes, and each transient shall receive a receipt for

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

payment from the business. If the BCTBID assessment is identified separately it shall be disclosed as the “BCTBID Assessment.” As an alternative, the disclosure may include the amount of the BCTBID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the “Tourism Assessment.” The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The BCTBID shall reimburse the County, cities, and the Town for any costs associated with collecting unpaid assessments, which shall not exceed the actual cost of assessment collections. If sums in excess of the delinquent BCTBID assessment are sought to be recovered in the same collection action by the County, the BCTBID 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. Any assessed business which fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. Any assessed business which fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. If the County, a city, or the Town determines that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties state in subparagraphs 1 and 2 of this section.
4. In addition to the penalties imposed, any assessed business which fails to remit any assessment imposed shall pay interest at the rate of one percent (1%) per month, or fraction thereof, on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid. If the last of any month falls on a Saturday, Sunday or legal holiday, the additional one percent (1%) shall attach after 5:00 PM on the next business day.
5. Every penalty imposed, and such interest as accrues, shall become part of the assessment required to be paid by the provisions of this chapter.

F. Time and Manner for Collecting Assessments

The BCTBID assessment will be implemented beginning December 1, 2020 and will continue for ten (10) years through November 30, 2030. The County, cities, and the Town will be responsible for collecting the assessment on a monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in their respective jurisdictions. The County, cities, and the Town shall take all reasonable efforts to collect the assessments from each lodging business. The County, cities, and the Town shall forward the assessments collected to the Owners’ Association within thirty (30) days of receiving the assessments.

VI. GOVERNANCE

A. Owners' Association

The Board of Supervisors, 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 BCTBID as defined in Streets and Highways Code §36612. The Board of Supervisors has determined that Explore Butte County will serve as the Owners' Association for the BCTBID.

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 Explore Butte County Board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records 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.

C. Annual Report

Explore Butte County shall present an annual report at the end of each year of operation to the Board of Supervisors 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

*** THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT ***
(ALL 2017 LEGISLATION)

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 (Chapter 3.5 (commencing with Section 6250) of Division 7 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”

“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.

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 maximum 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 his or her 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.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) 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.
- (o) 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.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, 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 any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any 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.

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 assesseses 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

Business Name	Business Address	City, State, Zip
Bambi Inn	7436 Humboldt Rd	Butte Meadows, CA 95942
The Outpost	7589 Humboldt Rd	Butte Meadows, CA 95942
Goodman House	1362 Esplanade	Chico, CA 95926
Heritage Inn	25 Heritage Lane	Chico, CA 95926
Ramada Plaza	685 Manzanita Court	Chico, CA 95926
Matador Motel	1934 Esplanade	Chico, CA 95926
Motel 6	665 Manzanita Court	Chico, CA 95926
Safari Garden	2352 Esplanade	Chico, CA 95926
Super 8 Motel	655 Manzanita Court	Chico, CA 95926
Town House Motel	2231 Esplanade	Chico, CA 95926
America's Best Value Inn	740 Broadway	Chico, CA 95928
Courtyard by Marriott	2481 Carmichael Drive	Chico, CA 95928
Haven Inn of Chico	2212 Park Avenue	Chico, CA 95928
Heritage Inn Express	725 Broadway Street	Chico, CA 95928
Holiday Inn Express & Suites	2074 E. 20th Street	Chico, CA 95928
Hotel Diamond	220 W. 4th Street	Chico, CA 95928
Oxford Suites	2035 Business Lane	Chico, CA 95928
Quality Inn Thunderbird	715 Main Street	Chico, CA 95928
Residence Inn by Marriott	2485 Carmichael Drive	Chico, CA 95928
Rodeway Inn	1717 Park Avenue	Chico, CA 95928
University Inn	630 Main Street	Chico, CA 95928
Hotel James	10 Lost Dutchman Drive	Chico, CA 95973
Regency Inn	2566 Esplanade	Chico, CA 95973
Springs of Living Water	15850 Richardson Springs Rd	Chico, CA 95973
Almond Grove Mobile Park	567 E Lassen Ave	Chico, CA 95973
Pacific Hotel	1308 Highway 99	Gridley, CA 95948
Gridley Inn & RV Park	1490 Highway 99	Gridley, CA 95948
PG&E Philbrook Campground	Philbrook Campground	Magalia, CA 95953
PSE Associates Camp DeSabra	6080 Camp Desabra Ln	Magalia, CA 95954
Paradise Pines Campground	14360 Skyway	Magalia, CA 95954
Paradise Pines RV Park	14360 Skyway	Magalia, CA 95954
America's Best Value Inn	580 Oro Dam Blvd E.	Oroville, CA 95965
River Reflections Campground	4360 Pacific Heights Rd	Oroville, CA 95965
Falling Rock RV Park	3454 Hwy 70	Oroville, CA 95965
Riffles RV Resort & Campground	4488 Pacific Heights Rd	Oroville, CA 95965
Dingerville USA	5813 Pacific Heights Rd	Oroville, CA 95965
Concow Campground	12967 Concow Rd	Oroville, CA 95965
Budget Inn	1475 Feather River Blvd.	Oroville, CA 95966
Dahl's Motel	2010 Feather River Blvd.	Oroville, CA 95967

Days Inn	1745 Feather River Blvd.	Oroville, CA 95968
Holiday Inn Express & Suites	550 Oroville Dam Blvd.	Oroville, CA 95969
Motel 6	505 Montgomery St.	Oroville, CA 95970
Sunset Inn Lake	1835 Feather River Blvd.	Oroville, CA 95971
Super 8	1470 Feather River Blvd.	Oroville, CA 95972
Villa Court Inn	1527 Feather River Blvd.	Oroville, CA 95973
Western Motor Lodge	2255 Bird St.	Oroville, CA 95974
Best Western Paradise Hotel	5475 Clark Road	Paradise, CA 95969
Feather West Trailer Park	3922 Pentz Rd	Paradise, CA 95969
Quail Trails RV Park	5110 Pentz Rd #2	Paradise, CA 95969
Pine Ridge Park & Mini Storage	5084 Pentz Rd	Paradise, CA 95969
Ponderosa Gardens Motel	7010 Skyway	Paradise, CA 95969