



**Honorable Mayor and Members of the Hermosa Beach City Council**

**ADOPT AN ORDINANCE AMENDING HERMOSA BEACH MUNICIPAL CODE  
SECTION 3.32 TITLED TRANSIENT OCCUPANCY TAX  
(Senior Management Analyst Ken Bales)**

---

**Recommended Action:**

Staff recommends City Council:

1. Waive full second reading and adopt by title only “An Ordinance amending Hermosa Beach Municipal Code Section 3.32.020 Definitions, 3.32.030 Tax Imposed, and 3.32.100 Appeal (**Attachment**); and
2. Direct the City Clerk to print and publish a summary ordinance in a newspaper of general circulation within 15 days following adoption and post a copy on the City’s bulletin for 30 days.

**Executive Summary:**

At its March 10, 2026 meeting, City Council introduced for first reading an ordinance to update the Hermosa Beach Municipal Code (“HBMC”) section 3.32.

**Background:**

HBMC 3.32.020 provides the following definitions, in relevant part:

- Hotel means 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, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.
- Occupancy means the use or possession, or the right to the use or possession of any room or room or portion thereof, in any hotel for dwelling, lodging or sleeping purposes.
- Operator means the person who is the proprietor of the hotel, hostel, or any other permitted short-term rental, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, and includes companies that arrange for reservations online. Though the operator performs his functions through a managing agent of any type or character other than an employee, the managing agent shall also be determined an operator for the purposes of this chapter and shall have the same duties and liabilities as his principal. Compliance with the

provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

- Transient means:
  - Any person as defined in this section who exercises, for any period of time, occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement; or
  - Any individual who personally exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement, for a period of thirty (30) consecutive calendar days or less.

HBMC 3.32.030 states:

- For occupancy of any hotel, motel, hostel, hospital or permitted short-term rental as defined, each transient is subject to and shall pay a tax in the amount of fourteen (14) percent of the rent or bill charged by the operator. Said tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator of the hotel, motel, hostel, hospital, or other permitted short-term accommodation at the time the rent or bill is paid. If the rent or bill is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel, motel, hostel, hospital or other permitted short-term accommodation. If for any reason the tax due is not paid to the operator, the tax administrator may require that such tax shall be paid directly to the tax administrator. (Emphasis added.)

Regarding TOT appeals, HBMC 3.32.100 allows any operator of a hotel who is aggrieved by the imposition of TOT may file an appeal to the Council through the City Manager's office within a certain time period for an appeal hearing.

***Past Council Action***

<b>Meeting Date</b>	<b>Description</b>
<a href="#">March 10, 2026</a>	City Council introduced an Ordinance to amend HBMC section 3.32.

**Fiscal Impact:**

There is no direct fiscal impact to updating HBMC sections 3.32.020 Definitions, 3.32.030 Tax Imposed, or 3.32.100 Appeal.

**Attachment:**

Draft Ordinance

**Respectfully Submitted by:** Ken Bales, Senior Management Analyst

**Noted for Fiscal Impact:** Brandon Walker, Administrative Services Director

**Legal Review:** Jason Baltimore, Interim City Attorney

**Approved:** Steve Napolitano, City Manager