EXHIBIT A

BALLOT PROPOSITION TO BE SUBMITTED DIRECTLY TO THE VOTERS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CHINO HILLS AMENDING CHAPTER 3.32 OF THE MUNICIPAL CODE TO EXPAND THE DEFINITION OF "HOTEL" FOR PURPOSES OF THE TRANSIENT OCCUPANCY TAX AND TO INCREASE THE TRANSIENT OCCUPANCY TAX RATE TO 12% EFFECTIVE JANUARY 1, 2021 SUBJECT TO THE APPROVAL OF A MAJORITY OF THE ELECTORS VOTING ON THE TAX MEASURE AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2020

The People of the City of Chino Hills do ordain as follows:

SECTION 1. The voters of the City of Chino Hills hereby find and declare as follows:

A.   Pursuant to California Revenue and Taxation Code section 7280 *et seq.*, the City of Chino Hills ("City") has the authority to levy a transient occupancy tax ("TOT") upon the privilege of occupying a hotel, as defined in Section 3.32.020 of the Chino Hills Municipal Code, for a period of 30 days or less.

B.   The TOT is a general tax, which is deposited into the City's general fund. The general fund pays for essential City services such as police protection, emergency preparedness, street maintenance, recreation services, maintenance of parks and open space, maintenance of City buildings and facilities, improvements to and maintenance of City infrastructure and property, and general municipal services.

C.   The City of Chino Hills' TOT rate is currently 10%. The City's TOT rate is relatively low compared to several nearby jurisdictions. For example, the cities of Los Angeles and Diamond Bar impose TOT at the rate of 14%, Los Angeles County at 12%, Riverside at 13%, and Ontario at 11.75%.

D.   The City wishes to increase its TOT from the existing 10 percent to 12 percent effective January 1, 2021.

E.   The City further wishes to amend the definition of "hotel" for purposes of the transient occupancy tax ordinance to clarify that the transient occupancy tax applies to the use of any residential dwelling, or portion thereof, for transient lodging purposes.

SECTION 2. The definition of "hotel" in Section 3.32.020 of the Chino Hills Municipal Code is amended to read as follows:

"'Hotel' means any structure or facility, or any portion of any structure or facility, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, motel, inn, tourist home or house, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, campground or other similar structure or facility, or portion thereof, wherein overnight accommodations are offered for hire. 'Hotel' also includes any residential dwelling, or portion thereof, that is offered or otherwise made available for transient lodging."

SECTION 3. Section 3.32.030 of the Chino Hills Municipal Code is amended to read as follows:

"3.32.030 – Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of twelve (12) percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city, which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent 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. If for any reason the tax due is not paid to the operator of the hotel, the tax administrator may require that such tax shall be paid directly to the tax administrator."

SECTION 4. CEQA. Pursuant to California Environmental Quality Act ("CEQA") Guidelines Sections 15060(c)(3) and 15378(b)(4), this Proposition does not constitute a "project" for purposes of CEQA because it involves the creation of a government funding mechanism which does not involve any commitment to any specific project that may result in a potentially significant impact on the environment.

SECTION 5. Interpretation. This Proposition must be interpreted to be consistent with all Federal and State laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Proposition. The People declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

SECTION 6. Construction. This Proposition must be broadly construed to achieve the purposes stated in this Proposition. It is the People's intent that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 7. Validity of Previous Code Sections. If this entire Proposition or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the Chino Hills Municipal Code or other City ordinance implemented by this Proposition will be rendered void and cause such previous Municipal Code provision or other City ordinance to remain in full force and effect for all purposes.

SECTION 8. Severability. If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, the remainder of the Proposition and the application of such provision to other persons or circumstances will not be affected thereby. We the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to allow its implementation.

SECTION 9. Effective Date. The City Clerk shall certify to the adoption of this Ordinance and shall enter the same in the book of original Ordinances of the City. This Ordinance shall be considered adopted and shall go into effect ten (10) days after the date that the City Council certifies the election results in accordance with Elections Code § 9217. The Mayor will sign this Ordinance and the City Clerk will attest and certify to the passage and adoption of this Ordinance.

ADOPTED by the People of the City of Chino Hills this _____ of _____, 2020.

_____

Art Bennett, Mayor

ATTEST:

_____

Cheryl Balz, City Clerk

APPROVED AS TO FORM:

_____

Mark D. Hensley, City Attorney

STATE OF CALIFORNIA   )
COUNTY OF SAN BERNARDINO)   ss
CITY OF CHINO HILLS   )

    I, CHERYL BALZ, City Clerk of the City of Chino Hills, DO HEREBY CERTIFY that Ordinance No. xxx was adopted on _____, _____, 2020, as a result of the approval by a sufficient number of affirmative votes of the Transient Occupancy Tax at a General Municipal Election held November 3, 2020, by the People of the City of Chino Hills.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Chino Hills, California, this _____ day of _____, 2020.

_____
CHERYL BALZ, CITY CLERK