



**CITY COUNCIL AGENDA
CITY COUNCIL SPECIAL MEETING
CITY OF HALF MOON BAY**

TUESDAY, SEPTEMBER 22, 2026

**TED ADCOCK COMMUNITY CENTER,
535 KELLY AVENUE,
HALF MOON BAY, CALIFORNIA 94019**

**Debbie Ruddock, Mayor
Deborah Penrose, Vice Mayor
Robert Brownstone, Councilmember
Patric Jonsson, Councilmember
Paul Nagengast, Councilmember**

6:00 PM

This agenda contains a brief description of each item to be considered. Those wishing to address the City Council on any matter not listed on the agenda, but within the jurisdiction of the City Council to resolve, may come forward to the podium during the Public Forum portion of the agenda and will have a maximum of three minutes to discuss their item. Those wishing to speak on a Business or Public Hearing matter will be called forward at the appropriate time during that item's consideration.

NOTE: Anyone wishing to present materials to the City Council, please submit seven copies to the City Clerk.

Copies of written documentation relating to each item of business on the agenda are on file in the Office of the City Clerk at City Hall where they are available for public inspection. If requested, the agenda shall be available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132.) Information may be obtained by calling 650-726-8271.

In compliance with the Americans with Disabilities Act, special assistance for participation in this meeting can be obtained by contacting the City Clerk's Office at 650-726-8271. A 48-hour notification will enable the city to provide reasonable accommodation to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

<http://halfmoonbay.gov/>

HYBRID MEETING PARTICIPATION PROTOCOLS

*This special meeting will take public comment in-person and via Zoom. All Councilmembers and staff will participate in person. During any public comment portions, attendees may use the “raise your hand” feature and will be called upon and unmuted when it is their turn to speak. Please click to join the webinar: <https://us06web.zoom.us/j/87162635806?pwd=026qRhvZf1bjmi3FFajDwtl61fRiye.1> or join by phone at 1-408-638-0968, using Webinar ID 871 6263 5806 Passcode: 123456. If joining by phone, use *9 to raise your hand, *6 to mute and unmute.*

1. CONVENE SPECIAL MEETING / ROLL CALL

2. APPEAL OF TAX ADMINISTRATOR'S DETERMINATION OF DELINQUENT TRANSIENT OCCUPANCY TAXES - 1 MIRAMONTES POINT RD, HALF MOON BAY, CA 94019 (MARRIOTT INTERNATIONAL, INC)

2.A CONDUCT THE PUBLIC HEARING ON THE APPEAL AND ADOPT A RESOLUTION DENYING THE APPEAL AND UPHOLDING THE TAX ADMINISTRATOR'S FINAL DETERMINATION OF DELINQUENT TRANSIENT OCCUPANCY TAXES, PENALTIES AND INTEREST FOR OPERATIONS AT 1 MIRAMONTES POINT ROAD, HALF MOON BAY, CA 94019 (MARRIOTT INTERNATIONAL, INC) AND DIRECTING STAFF TO TAKE ALL ACTIONS NECESSARY TO COLLECT THE AMOUNTS DUE, INCLUDING FILING A LIEN AGAINST THE PROPERTY.

[STAFF REPORT](#)

[ATTACHMENT 1 - Resolution](#)

[ATTACHMENT 2 - Municipal Code Chapter 3.12](#)

[ATTACHMENT 3 - Final Determination Letter](#)

[ATTACHMENT 4 - Notice of Appeal](#)

3. ADJOURN SPECIAL MEETING

LATE CORRESPONDENCE

COMMENTS RECEIVED UP TO 09/22/2026

[Ritz Carlton Protest Letter](#)

[Los Angeles Proposition TC](#)

TRANSLATIONS

TRANSLATED AGENDA

[September 22, 2026 Spanish Agenda.pdf](#)

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 22, 2026**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Kenneth Stiles, Interim Administrative Services Director

TITLE: **APPEAL OF TAX ADMINISTRATOR'S DETERMINATION OF DELINQUENT TRANSIENT OCCUPANCY TAXES – 1 MIRAMONTES POINT RD, HALF MOON BAY, CA 94019 (MARRIOTT INTERNATIONAL, INC)**

RECOMMENDATION:

Conduct the public hearing on the appeal and adopt a resolution denying the appeal and upholding the Tax Administrator's Final Determination of delinquent transient occupancy taxes, penalties and interest for operations at 1 Miramontes Point Road, Half Moon Bay, CA 94019 (Marriott International, Inc) and directing staff to take all actions necessary to collect the amounts due, including filing a lien against the property.

FISCAL IMPACT:

Approval of the recommended action would affirm the City's right to collect approximately \$2,354,984 in unpaid Transient Occupancy Taxes, penalties, and interest. Interest will continue to accrue on unpaid taxes in accordance with the Half Moon Bay Municipal Code until the balance is paid.

STRATEGIC ELEMENT:

This recommendation supports the *Fiscal Sustainability* and *Inclusive Governance* elements of the City's Strategic Plan.

BACKGROUND:

The City of Half Moon Bay imposes a Transient Occupancy Tax (TOT) on the privilege of occupying a hotel or other lodging establishment within the City. Under Chapter 3.12 of the Half Moon Bay Municipal Code, hotel operators are responsible for collecting TOT from transient guests and remitting the tax to the City.

The Municipal Code defines "rent" as the consideration charged, whether or not received, for occupancy of space in a hotel. "Occupancy" means the use or possession, or the right to use or possess, a hotel room for lodging or sleeping purposes. Operators are required to report

taxable rents and remit the applicable TOT to the City.

The City contracts with HdL Companies (HdL) to assist with administration and compliance review of the City's TOT program. As part of the City's periodic audit program, HdL conducted an audit of the Ritz Carlton a wholly owned subsidiary company of Marriott International Inc. ("Operator") covering the period September 2021 through August 2024.

The audit identified instances in which the amount of taxable rent reported by the operator differed from the amount determined to be subject to TOT. The principal findings related to group cancellation charges, miscellaneous fees, food and beverage packages and resort fees.

Following completion of the audit, HdL provided the operator with the audit findings and supporting schedules. The operator disputed portions of the findings. After consideration of the operator's response and supporting information, the Tax Administrator issued a determination assessing \$1,659,756 in additional TOT owed, together with applicable penalties and interest totaling \$2,354,984 due.

On September 8, 2026, the City received the operator's appeal of that determination pursuant to Section 3.12.100 of the Municipal Code. The appeal is attached as Attachment 1.

DISCUSSION:

The appeal concerns whether certain amounts identified during the audit were properly included in taxable rent. The principal disputed items are discussed below.

Group Cancellation Charges

The audit identified group cancellation charges that were excluded from taxable "rent", resulting in \$737,909.40 in additional TOT, \$147,581.88 in penalties, and \$152,545.78 in interest.

The appellant argues that these charges are not taxable because, once a group cancels, there is no actual occupancy or continuing right to occupy the rooms. The appellant further argues that following a cancellation, the room becomes available for resale and may subsequently generate taxable rent, potentially resulting in tax being imposed twice.

Miscellaneous Fees

The audit assessed \$69,449.47 in additional TOT, \$13,889.89 in penalties, and \$14,799.13 in interest related to miscellaneous fees. Miscellaneous fees can include daily pet boarding fees,

housekeeping fees, golf packages and other charges.

The appellant is appealing the miscellaneous fees, arguing that only pet boarding fees within this category are subject to TOT because the fee is charged nightly. The appellant argues that cleaning and other charges in this account are not related to or a condition of occupancy.

Food and Beverage Packages

The audit assessed an additional \$44,877.66 in additional TOT relating to food and beverage packages sold with occupancy, \$8,975.53 in penalties, and \$9,763.55 in interest owed to the City.

The appellant is appealing only the penalties associated with this charge.

Resort Fees

Finally, the audit assessed \$807,519.43 in additional TOT relating to resort fees, \$161,503.89 in penalties, and \$186,168.43 in interest owed to the City.

The appellant argues that these charges were not clearly identified or previously treated by the City as taxable before January 2024, so the operator treated them as non-taxable. The appellant further argues that collection of these fees beginning of January 2024 were a precaution and requests removal of all prior-period assessments.

Penalties and Interest

Under Municipal Code Section 3.12.080, delinquent TOT is subject to a 10% penalty when the tax is not remitted when due and an additional 10% penalty if the delinquency continues for more than 30 days. The Code also imposes interest at 0.5% per month, or fraction thereof, on the unpaid tax, exclusive of penalties, from the date the remittance first became delinquent until paid.

Audit Period and Subsequent Periods

The audit and the determination before the Council cover activity only through August 2024. The City's action on this appeal therefore addresses only the liabilities identified for the audited period.

Nothing in the determination or the Council's action waives or limits the City's ability to review subsequent reporting periods or to assess additional taxes, penalties, or interest if later reporting is determined to be inconsistent with the Municipal Code.

Appeal

Under Section 3.12.100 of the Municipal Code, an operator aggrieved by the Tax Administrator's determination may appeal the decision to the City Council, in accordance with the requirements of Chapter 1.25. The Council's findings on the appeal are final and conclusive, and any amount determined to be due becomes immediately due and payable upon service of the Council's decision.

Pursuant to Section 1.25.060, appeals are heard de novo. The Council, as the hearing body, must

- A. Review the record from which the appeal was taken;
- B. Allow the appellant to make a brief verbal argument in addition to the written appeal;
- C. Receive a report from staff and ask questions of staff and the appellant;
- D. Allow rebuttal as deemed appropriate; and
- E. Either affirm or reverse the action, with or without modifications, or refer the matter back to the lower decision-making entity without direction for further proceeding.

If the Council upholds the Tax Administrator's determination, staff will provide the operator with notice of the Council's determination and proceed with collection of any outstanding balance in accordance with Chapter 3.12 of the Municipal Code.

ATTACHMENTS:

- 1. Resolution
- 2. Municipal Code – Chapter 3.12
- 3. Final Determination Letter
- 4. Notice of Appeal

RESOLUTION NO. C-2026-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY DENYING THE APPEAL AND UPHOLDING THE TAX ADMINISTRATOR'S FINAL DETERMINATION OF DELINQUENT TRANSIENT OCCUPANCY TAXES, PENALTIES, AND INTEREST FOR OPERATIONS AT 1 MIRAMONTES ROAD, HALF MOON BAY, CA 94019 (MARIOTT INTERNATIONAL, INC)

WHEREAS, Chapter 3.12 of the Half Moon Bay Municipal Code imposes a Transient Occupancy Tax ("TOT") on rent charged for transient occupancy within the City; and

WHEREAS, the City, through its designated representative, conducted an audit of the Ritz Carlton, a wholly owned subsidiary company of Marriott International, Inc ("Operator") for the period September 2021 through August 2024, which identified additional TOT, penalties, and interest due to the City; and

WHEREAS, following the administrative hearing process provided under Section 3.12.090 of the Municipal Code, the Tax Administrator issued a Final Determination on August 28, 2026, finding \$2,354,984 due in additional TOT, penalties, and interest; and

WHEREAS, Marriott International, Inc timely appealed the Final Determination pursuant to Section 3.12.100 of the Municipal Code; and

WHEREAS, the appeal challenges amounts assessed related to group cancellation charges, miscellaneous fees, penalties, and interest; and

WHEREAS, pursuant to Chapter 1.25 of the Municipal Code, the City Council considers the appeal de novo and may affirm or reverse the Tax Administrator's determination, with or without modifications; and

WHEREAS, on September 22, 2026, the City Council conducted a public hearing on the appeal in accordance with Chapter 1.25 of the Municipal Code and considered the administrative record, the appellant's written appeal and supporting documentation, the staff report, and testimony presented at the hearing; and

WHEREAS, based upon the record before it, the City Council finds that the assessment of TOT associated with group cancellation charges and miscellaneous fees, and the related penalties, was properly included in the Tax Administrator's Final Determination.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Half Moon Bay hereby upholds the Tax Administrator's Final Determination, attached hereto.

BE IT FURTHER RESOLVED, the decision of the City Council is final, and the City Council further directs staff to serve the appellant with notice of the Council's determination.

BE IT FURTHER RESOLVED, that the amounts owed by the operator shall be immediately due and payable upon service of the notice of Council's determination and the Council hereby directs the Tax Administrator or their designee to take all actions necessary to collect the outstanding amount, including but not limited to, filing a lien or issuance of a warrant in accordance with Chapter 3.12 of the Half Moon Bay Municipal Code and other applicable laws.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 22nd day of September 2026, by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

Maggie Rodriguez, City Clerk

Debbie Ruddock, Mayor

Chapter 3.12
TRANSIENT OCCUPANCY TAX*

Sections:

- 3.12.010 Short title.**
- 3.12.020 Definitions.**
- 3.12.030 Tax imposed.**
- 3.12.040 Exemptions.**
- 3.12.050 Operator's duties.**
- 3.12.060 Hotel registration.**
- 3.12.070 Reporting and remitting--Taxes to be held in trust.**
- 3.12.080 Penalties and interest.**
- 3.12.090 Determination of delinquent tax by tax administrator--Administrative hearing procedure.**
- 3.12.100 Appeal to city council.**
- 3.12.110 Records.**
- 3.12.120 Refunds and credit--Procedure.**
- 3.12.130 Actions to collect.**
- 3.12.140 Lien--Recording certificate.**
- 3.12.150 Warrant for collection of tax.**
- 3.12.160 Seizure and sale.**
- 3.12.170 Successor's and assignee's responsibility.**
- 3.12.180 Penalty for violations.**

* For the statutory provisions authorizing cities to impose a tax on transients who occupy room space within the city limits, see Rev. and Tax. Code §§7280 and 7281.

3.12.010 Short title.

This chapter shall be known as the “uniform transient occupancy tax ordinance” of the city. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §1, 1965).

3.12.020 Definitions.

Except where the context otherwise requires, the definitions given in this section govern the construction of this chapter:

A. “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, 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, campground or other similar structure or facility, or portion thereof, wherein overnight accommodations are offered for hire.

B. “Occupancy” means the use or possession, or the right to the use or possession, of any room or rooms or portion thereof in any hotel for dwelling, lodging or sleeping purposes.

C. “Operator” means the person who is proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee or any other capacity. Where the operator performs his functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his principal. Any and all persons or entities qualifying as an operator must be in compliance with the provisions of this chapter, and are subject to joint and several liability if any are not in compliance.

D. “Person” means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

E. “Rent” means the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever.

F. “Tax administrator” means the finance officer.

G. “Transient” means any individual who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. Any such individual so occupying space in a hotel is

deemed to be a transient until the period of thirty days has expired unless there is an agreement in writing between the operator and the occupant providing for a period of occupancy longer than thirty days, or rent has been paid in advance for a period of more than thirty days. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance codified in this chapter may be considered. (Ord. C-2-12 §2(part), 2012: Ord. 15-78 §1, 1979; Ord. 7-65 §2, 1965).

3.12.030 Tax imposed.

For the privilege of occupancy in any hotel or campground each transient is subject to and shall pay a tax in the amount of twelve percent of the rent charged by the operator, or fifty cents per day, whichever is greater. The tax constitutes a debt owed by the transient to the city which is extinguished only by the payment by the operator to the city. The transient shall pay the tax to the operator of the hotel or campground 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 is due upon the transient's ceasing to occupy space in the hotel or campground. If for any reason the tax due is not paid to the operator of the hotel or campground, the tax administrator may require that such tax be paid directly to the tax administrator. (Ord. C-2-12 §2(part), 2012: Ord. 5-08 §1, 2009; Ord. 15-90 §1, 1990; Ord. 13-84 §1, 1984; Ord. 11-78 §1, 1978: Ord. 4-75 §1, 1975: Ord. 7-65 §3, 1965).

3.12.040 Exemptions.

No tax shall be imposed upon:

- A. Any person as to whom, or any occupancy as to which, it is beyond the power of the city to impose the tax herein provided;
- B. Any federal officer or employee when on official business;
- C. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

No exemption shall be granted except upon a claim therefor, made at the time rent is collected and under penalty of perjury, upon a form prescribed by the tax administrator. (Ord. C-2-12 §2(part), 2012: Ord. 7-96 §1, 1996; Ord. 7-65 §4, 1965).

3.12.050 Operator's duties.

Each operator shall collect the tax imposed by this chapter to the same extent and at the same time as the rent is collected from every transient. The amount of tax shall be separately stated from the amount of the rent charged, and each transient shall receive a receipt for payment from the operator. No operator of a hotel shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the

rent, or that, if added, any part will be refunded except in the manner hereinafter provided. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §5, 1965).

3.12.060 Hotel registration.

Within thirty days after the effective date of the ordinance codified in this chapter, or within thirty days after commencing business, whichever is later, each operator of any hotel renting occupancy to transients shall register said hotel with the tax administrator and obtain from him a “transient occupancy registration certificate” to be at all times posted in a conspicuous place on the premises. Said certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel;
- C. The date upon which the certificate was issued;
- D.

This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Uniform Transient Occupancy Tax Ordinance by registering with the Tax Administrator for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the Tax Administrator. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, nor to operate a hotel without strictly complying with all local applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of this city. This certificate does not constitute a permit.

- E. An operator of a hotel who commences operation of a hotel after a sale, assignment or other transfer of the hotel to that operator shall also comply with Section 3.12.140 in addition to registering the hotel as required by this section. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §6, 1965).

3.12.070 Reporting and remitting--Taxes to be held in trust.

- A. Each operator shall, on or before the close of city business on the last city business day of each month, or at the close of any shorter reporting period which may be established by the tax administrator, make a return to the tax administrator, on forms provided by the tax administrator, of the total rents charged and received and the amount of tax collected for transient occupancies during the immediately preceding calendar month, or shorter reporting period. At the time the return is filed, the full amount of the tax collected shall be remitted to the tax administrator. The tax administrator may establish shorter reporting periods for any certificate holder if he deems it necessary in order to ensure collection of the tax and he may require further information in the return. When the last day for filing the transient occupancy tax return falls upon a Saturday or Sunday, such act may be performed upon the next

business day with the same effect as if it had been performed upon the day appointed. Returns and payments are due immediately upon cessation of business for any reason.

B. All taxes collected by operators, pursuant to this chapter, shall be held in trust for the account of the city until payment thereof is made to the tax administrator.

C. The tax administrator may require an operator to furnish additional information or provide adequate security as necessary to ensure collection of any taxes due or to become due, and to remit taxes on a shorter reporting period. An operator shall thereafter report and remit all taxes due under the terms and conditions prescribed by the tax administrator. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §7, 1965).

3.12.080 Penalties and interest.

A. Original Delinquency. Any operator who fails to remit any tax imposed by this chapter, within the time required, shall pay a penalty of ten percent of the amount of the tax in addition to the amount of the tax.

B. Continued Delinquency. Any operator who fails to remit any delinquent remittance on or before a period of thirty days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent of the amount of the tax in addition to the amount of the tax and the ten percent penalty first imposed.

C. Fraud. If the tax administrator determines that the nonpayment of any remittance due under this chapter is due to fraud, intentional disregard or an intent to evade compliance with this chapter, a penalty of twenty-five percent of the amount of the tax shall be added thereto in addition to the penalties stated in subsections A and B of this section.

D. Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of one-half of one percent per month, or fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

E. Penalties Merged with Tax. Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the tax herein required to be paid. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §8, 1965).

3.12.090 Determination of delinquent tax by tax administrator--Administrative hearing procedure.

A. If any operator fails or refuses to collect said tax and to make, within the time provided in this chapter, any report and remittance of said tax or any portion thereof required by this chapter, the tax administrator shall proceed in such manner as he

deems best to obtain facts and information on which to base his estimate of the tax due. As soon as the tax administrator procures such facts and information as he is able to obtain upon which to base the assessment of any tax imposed by this chapter and payable by any operator who has failed or refused to collect the same and to make such report and remittance, he shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this chapter. In case such determination is made, the tax administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at his last known place of address.

B. Such operator may, within ten calendar days after the serving or mailing of such notice, make application in writing to the tax administrator for a hearing on the amount assessed. If a written application by the operator for a hearing is not made by mail or personal service within the time prescribed, the tax, interest and penalties, if any, determined by the tax administrator, shall become final and conclusive and immediately due and payable.

C. If a written application is made by the operator for a hearing, the tax administrator shall give not less than ten calendar days' written notice in the manner prescribed herein to the operator to show cause at a time and place fixed in said notice why said amount specified therein should not be fixed for such tax, interest and penalties. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed.

D. After the hearing the tax administrator shall determine the proper tax to be remitted and shall, within thirty calendar days thereafter, give written notice to the person, in the manner prescribed herein, of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen calendar days unless an appeal is taken as provided in Section 3.12.100. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §9, 1965).

3.12.100 Appeal to city council.

Any operator aggrieved by any decision of the tax administrator with respect to the amount of such tax, interest and penalties, if any, may appeal to the council in accordance with the requirements of Chapter 1.25. The findings of the council shall be final and conclusive and shall be served upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of notice. (Ord. C-2-12 §2(part), 2012: Ord. C-7-08 §2, 2008: Ord. 7-65 §10, 1965).

3.12.110 Records.

It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this chapter to keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as the operator may have been liable for the collection of and payment to the city, which records the tax administrator shall have the right to inspect at all reasonable times. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §11, 1965).

3.12.120 Refunds and credit--Procedure.

A. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the city under this chapter, it may be refunded as provided in subsections B and C of this section, provided a claim in writing therefor, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the tax administrator within three years of the date of payment. The claim shall be on forms furnished by the tax administrator.

B. An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once or erroneously or illegally collected or received when it is established in a manner prescribed by the tax administrator that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax so collected has either been refunded to the transient or credited to rent subsequently payable by the transient to the operator.

C. A transient may obtain a refund of taxes overpaid or paid more than once or erroneously or illegally collected or received by the city by filing a claim in the manner provided in subsection A of this section, but only when the tax was paid by the transient directly to the tax administrator, or when the transient having paid the tax to the operator establishes to the satisfaction of the tax administrator that the transient has been unable to obtain a refund from the operator who collected the tax.

D. No refund shall be paid under the provisions of this section unless the claimant establishes his right thereto by written records showing entitlement thereto. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §12, 1965).

3.12.130 Actions to collect.

Any tax required to be paid by any transient, under the provisions of this chapter, is deemed a debt owed by the transient to the city. Any such tax collected by an operator, which has not been paid to the city, is deemed a debt owed by the operator to the city. Any person owing money to the city under the provisions of this chapter is liable to an action brought in the name of the city, or the recovery of such amount, and for attorneys' fees and costs incurred in the enforcement of this chapter. (Ord. C-2-12 §2(part), 2012: Ord. 7-65 §13, 1965).

3.12.140 Lien--Recording certificate.

If any amount required to be paid to the city under the ordinance codified in this chapter is not paid when due, the tax administrator, upon expiration of the second delinquency period referenced in Section 3.12.080(B), may within four years after the amount is due record in the office(s) of the county recorder(s) of any county in the state of California a certificate specifying the amount of tax, penalties and interest due, the name and address of the operator liable for the same and the fact that the tax administrator has complied with all provisions of this chapter in the determination of the amount required to be paid. From the time of the recording, the amount required to be paid together with penalties and interest shall constitute a lien upon any and all real property in any county in the state of California owned by the operator or thereafter acquired by the operator. The lien shall have the force, effect and priority of a judgment lien and shall continue for ten years from the time of filing of the certificate unless sooner released or otherwise discharged. (Ord. C-2-12 §2(part), 2012).

3.12.150 Warrant for collection of tax.

At any time after any operator is delinquent in the payment of any amount herein required to be paid off after recording a certificate of lien under Section 3.12.140, the tax administrator may issue a warrant directed to any sheriff or marshal for the enforcement of any liens and for the collection of any amount required to be paid to the city under this chapter. The warrant shall have the same effect as a writ of execution, and be executed in the same manner and with the same effect as a levy and sale pursuant to a writ of execution. The tax administrator may pay or advance to the sheriff or marshal such fees, commissions and expenses for services as are provided by law for similar services pursuant to a writ of execution. (Ord. C-2-12 §2 (part), 2012).

3.12.160 Seizure and sale.

At any time after any operator is delinquent in the payment of any amount or after recording of a certificate of lien, the tax administrator may forthwith collect the amount in the following manner: The director of finance shall seize any property, real or personal, of the operator and sell the property, or a sufficient part of it, at public auction to pay the amount due together with any penalties and interest imposed for the delinquency and any costs incurred on account of the seizure and sale. Any seizure made to collect occupancy taxes due shall be only of property of the operator not exempt from execution under the provisions of the California Code of Civil Procedure. (Ord. C-2-12 §2(part), 2012).

3.12.170 Successor's and assignee's responsibility.

A. If any operator, while liable for any amount under this chapter, sells, assigns or otherwise transfers the hotel or quits the hotel, whether voluntarily or involuntarily, the

operator's subsequent successor, assign or other transferee, or other person or entity attempting to obtain ownership of the hotel, shall notify the tax administrator of the date of transfer at least thirty days prior to the date of the sale or, if the agreement to sell, transfer, or otherwise dispose of the hotel was made less than thirty days prior to the date of transfer, notice shall be provided immediately.

B. The successor operator, assign, purchaser, transferee, or other person or entity who obtains ownership of the hotel shall satisfy any transient occupancy tax liability associated with the property owed to the city. Failure to do so for the benefit of the city will result in being personally liable to the city for the full amount of the tax liability, which includes interest and penalties.

C. The successor operator, assign, purchaser, transferee, or other person or entity who obtains ownership of the hotel shall be deemed to have complied with the requirements of this section if that person or entity complies with the requirements of California Revenue and Taxation Code Section 7283.5 by withholding from the purchase price an amount sufficient to cover the tax liability, or by otherwise paying the tax liability until the tax administrator provides a "transient occupancy tax clearance certificate" showing that the tax liability has been paid in full and stating that no tax liability is due through the date of transfer.

D. The tax administrator, within ninety days of receiving a written request from a successor operator, assign, purchaser, transferee, or other person or entity who obtains or attempts to obtain ownership of the hotel, may issue a "transient occupancy tax clearance certificate" stating either the amount of tax liability due and owing for the property, or stating that there is no tax liability due and owing for the property. The tax administrator may also request financial records from the current or former owner or operator to conduct an audit of the transient occupancy tax that may be due and owing. After completing the audit within ninety days after the date that the records were made available, the tax administrator may issue a tax clearance certificate within thirty days of completing the audit, stating the amount of the tax liability owed, if any. If the city determines that the records provided for an audit are insufficient, the tax administrator may rely on the facts and information available to estimate any transient occupancy tax liability associated with the property. The tax administrator may issue a tax clearance certificate stating the amount of the tax liability, if any, based on such facts and information available. The tax clearance certificate shall serve as conclusive evidence of the tax liability associated with the property as of the date specified on the certificate. (Ord. C-2-12 §2(part), 2012).

3.12.180 Penalty for violations.

A. Any operator or other person or entity violating any of the provisions of this chapter shall be guilty of a misdemeanor and shall be punishable by a fine of not

more than one thousand dollars or by imprisonment in the county jail for a period of not more than six months or by both fine and imprisonment, in addition to the penalties provided for in this chapter and code. The city attorney shall have discretion to prosecute any such violation of this chapter as an infraction.

B. Any operator or other person who fails or refuses to register as required in Section 3.12.060, or to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the tax administrator, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor, and is punishable as stated in subsection A of this section, in addition to being subject to the other penalties provided for in this chapter and code. Any person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made is guilty of a misdemeanor and is punishable as stated in subsection A of this section, in addition to the penalties provided for in this chapter and code.

C. Any person convicted of an infraction for violation of this chapter is punishable by:

1. A fine not exceeding one hundred dollars for a first violation;
2. A fine not exceeding two hundred dollars for a second violation of the same ordinance within one year; or
3. A fine not exceeding five hundred dollars for each additional violation of the same ordinance within one year.

D. Any operator or other person or entity violating any of the provisions of this chapter may also be subject to civil penalties and the administrative enforcement process under Chapter 4.16.

E. All remedies prescribed by this chapter or code, or any other provisions of law, and the use of one or more remedies by the city are cumulative, and shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter. (Ord. C-2-12 §2(part), 2012).



August 28, 2026

SECOND NOTICE OF DELINQUENCY
Transient Occupancy Tax Audit Assessment

Taxpayer: The Ritz-Carlton Half Moon Bay
Audit Period: September 1, 2021, through August 31, 2024

Dear Taxpayer:

This letter serves as a Second Notice of Delinquency regarding the outstanding Transient Occupancy Tax assessment resulting from the City's audit of The Ritz-Carlton Half Moon Bay for the period September 1, 2021 through August 31, 2024.

The assessment remains unpaid. Although the City has received and reviewed your protest, the assessment continues to be due pending the final resolution of any remaining review items.

As of the date of this notice:

- Audit Assessment: \$1,659,755.96
- Penalty: \$331,951.19
- Interest Accrued: \$363,276.89
- Total Amount Due: \$2,354,984.04

Payment must be received within 10 calendar days of the date of this notice. Failure to remit payment may result in additional penalties, interest, and collection actions as authorized under the City's Transient Occupancy Tax Ordinance. Any tax required to be paid under the provisions of Chapter 3.12 of the Half Moon Bay Municipal Code is deemed a debt owed to the city. Any person owing money to the City pursuant to Chapter 3.12 is liable to an action brought in the name of the City, or the recovery of such amount, and for attorneys' fees and costs incurred in the enforcement of Chapter 3.12. If any amount required to be paid to the City is not paid when due, the City may record a lien upon real property pursuant to Section 3.12.140 of the Half Moon Bay Municipal Code.

You may appeal this determination to the City Council pursuant to section 3.12.100 of the Half Moon Bay Municipal Code within 10 calendar days of the date of this notice.

If additional documentation is submitted regarding the protested items currently under review, the City will consider any appropriate adjustment. However, no adjustment has been granted at this time, and the assessment remains due and payable.

Please submit payment to:
TOT Audit Division
8839 N Cedar Avenue, Suite 212
Fresno, CA 93720

NOTICE: The audit period covered by this notice ended in August 2024. The City believes that the issues identified through the audit, as set forth in the City's Response to Protest of Transient Occupancy Tax Audit Findings dated August 28, 2026, are still unresolved after that date. Accordingly, additional amounts may be due for subsequent reporting periods. Any such amounts are not included in the delinquency stated in this notice and may be subject to further review, assessment, and applicable penalties and interest.

Sincerely,

Matthew Chidester

Matthew Chidester
City Manager
City of Half Moon Bay



NOTICE OF APPEAL – ADMINISTRATIVE DECISION

1. APPELLANT INFORMATION

Legal Name:

Street Address:

Mailing Address (if different):

Phone:

Email:

2. DECISION BEING APPEALED

Decision / Determination:

Date of Decision:

3. SPECIFIC RELIEF REQUESTED

State specifically what action you are requesting from the City Council.

Group Cancellation Fees - Requesting removal of assessed tax in amount of \$737,909.40
Resort Fees - Requesting removal of assessed tax in amount of \$807,519.43.
Misc Fees - Requesting removal of assessed tax in the amount of \$61,433.51
Interest - Requesting removal of additional interest assessed in the amount of \$190,871.94, while awaiting resolution to taxpayer's dispute
Penalties - Requesting removal of all penalties in the amount of \$331,951.19

4. BASIS AND GROUNDS FOR APPEAL

Describe the basis for the appeal and all grounds supporting it. Attach additional pages or supporting documents if necessary.

See attached file 'Half Moon Bay Appeal Attachment - Sections 4 & 5.pdf'

5. NEGATIVE IMPACT

Describe how you are negatively impacted by the decision:

See attached file 'Half Moon Bay Appeal Attachment - Sections 4 & 5.pdf'

6. SIGNATURE

Signature: *Laura Floyd*

Printed Name: Laura Floyd

Title: Sr. Director Tax

Date: 09/18/2026

FILING INFORMATION

File with: City Clerk, City of Half Moon Bay, 501 Main Street, Half Moon Bay, CA 94019



September 17, 2026

Ritz Carlton Hotel

Notice of Appeal Attachment for Sections 4 & 5

Section 4

The basis and grounds for appeal for the following issues are listed below.

Group Cancellation Fees

The group cancellation fees charged are for liquidated damages and are not subject to Transient Occupancy Tax (TOT). The City's response states that group cancellation fees were included in the audit as "such fees were derived from agreements reserving guest rooms and may represent consideration associated with the right to occupy". The municipal code per §3.12.020(B) defines "Occupancy" as the use or possession, or the right to the use or possession, of any room or rooms or portion thereof in any hotel, for dwelling, lodging, or sleeping purposes.

When a group cancels, there is no realization of use or possession or the right to the use or possession of the rooms. Upon cancellation of the agreement, the group gives up any claim to occupy rooms in advance of an actual stay, rooms are released back into inventory and are therefore available for other customers to reserve. By taxing group cancellation fees, the city is potentially collecting tax twice when occupancy of a room can only happen once.

Resort Fees

Prior to January 2024, the City's published forms and guidance did not expressly identify mandatory resort fees as subject to TOT. These fees were not treated as taxable in a prior audit, and the City provided no written communication advising the property that resort fees were subject to TOT. Based on this prior treatment and the absence of clear guidance, the property reasonably and in good faith treated separately stated resort fees as non-taxable. California courts have consistently recognized that taxing provisions must be interpreted narrowly and that any ambiguity regarding the imposition of a tax should be resolved in favor of the taxpayer. Where a jurisdiction seeks to expand the scope of taxable receipts to include additional charges, such expansion should be clearly stated in the ordinance.

Due to evolving audit trends throughout California, the property took a cautious approach and began collecting TOT on resort fees in January 2024. This change was a proactive compliance measure and should not be viewed as an acknowledgment that the fees were taxable in prior periods. Accordingly, the taxpayer respectfully requests that assessments related to resort fees prior to January 2024 be removed. Retroactive assessment would effectively impose a tax obligation that was not clearly communicated to taxpayers during the periods under audit.

Misc Fees

Auditor included all charges of miscellaneous revenue in Dept 0070. Not all charges in this account are subject to TOT. The only charge in this account subject to TOT is the Daily Pet Boarding Fee, which is charged nightly. Two files are attached ('Half Moon Bay Appeal Attachment – Misc Inc Ledger.pdf' and 'Half Moon Bay Appeal Attachment – Misc Inc Summary.pdf') showing charges under account 0070.390001 miscellaneous revenue. The findings provided state that "Rent is defined as all charges imposed on a transient guest for the *rent* of a room for lodging purchases." However, per § 3.12.020(E) states that Rent is defined as a consideration charged "*for the occupancy of space in a hotel*". Occupancy per § 3.12.020(B) has not been met with most of these charges. Cleaning and other charges in this account are not related to or a condition of occupancy.

Interest

Interest calculated has more than doubled between the original assessment issued on November 10, 2025, and second notice, dated August 28, 2026. The dispute of the audit findings was sent on the due date of November 25, 2025, to the email addresses listed in the findings letter. Routine inquiries on the status of the dispute were made by the taxpayer to the auditor from November 2025 until August 2026. A response letter was sent to taxpayer on August 28, 2026. Taxpayer is further being disadvantaged by the city's failure to respond and attempt to resolve this dispute in a more timely manner.

Section 5

The description of negative impact by the decision.

The hotel acted in good faith and administered its tax collection processes based on a reasonable interpretation of the governing law and industry-standard practices. Consequently, the assessment places the entire financial burden on the hotel for taxes that were never collected, creating a significant and inequitable economic hardship. The hotel would effectively be required to pay out of pocket for liabilities that, had the City's interpretation been known or consistently applied at the time of the transactions, would have been collected directly from guests in the ordinary course of business.

With the unexpected expense for the tax assessment, interest and penalties, the hotel will be asked to recover these expenses to the best of their ability. This normally equates to potential lowering of the quality of standards, thereby changing the value of guest stays and experiences for the price paid, potentially lowering business volumes or receiving poor guest reviews that also hinder future business. Offset often come in reduction to staffing, temporary layoffs, reduced overtime, reduced benefits and reduced spending in the hotel. These are not attributes or standards The Ritz-Carlton Half Moon Bay have become known for and earned their accolades for, including Forbes distinctions, that keeps group and leisure customers returning. Diverting these dollars towards uncollected tax, interest and penalties takes away from reinvestment in the ladies and gentlemen that work at the resort and to the future guests of the resort.

DeLozier, Denise (SP)

From: DeLozier, Denise (SP)
Sent: Tuesday, November 25, 2025 2:27 PM
To: Tracey Pate
Cc: [REDACTED]; Ridenour, Carrie (SP); DeLozier, Denise (SP); Keri Calloway
Subject: City of Half Moon Bay TOT Audit Protest - Ritz Carlton Hotel
Attachments: Ritz Carlton Hotel 02405241 Findings.pdf; Half Moon Bay Protest Letter.pdf

Importance: High

Good afternoon,

Please find attached a protest letter for the City of Half Moon Bay audit. Any questions and/or additional documentation needed, do not hesitate to reach out to both Carrie Ridenour and myself.

Thank you,

Denise DeLozier

Tax Team Lead - Audits, Lodging Sales & Use Tax
Accenture

[REDACTED] (O) | [REDACTED] (Fax) | [REDACTED]

Supervisor: [REDACTED]

To find all MBS contact names and numbers on MGS, follow this [link](#).

Upcoming PTO:

Sent on behalf of Marriott Business Services.



GLOBAL FINANCE



This communication contains information from Marriott International, Inc. that may be confidential. Except for personal use by the intended recipient, or as expressly authorized by the sender, any person who receives this information is prohibited from disclosing, copying, distributing, and/or using it. If you have received this communication in error, please immediately delete it and all copies, and promptly notify the sender. Nothing in this communication is intended to operate as an electronic signature under applicable law.



November 24, 2025

HdL Companies
TOT Audit Division
8839 N. Cedar Avenue #212
Fresno, CA 93720

Re: Protest of Audit Findings for Ritz Carlton Hotel - Half Moon Bay

Tax Account: Transient Occupancy Tax (TOT)

Audit Period: 01/01/2021 – 08/31/2024

To whom it may concern:

The taxpayer is protesting the TOT Audit Findings for the Ritz Carlton Hotel in Half Moon Bay, CA. Issues being protested are:

Group Cancellation Fees – These fees are not subject to TOT. The fees charged are for liquidated damages. According to the municipal code, TOT is imposed on the rent for the occupancy of space in a hotel. Once the group cancels, there is no occupancy as there is no use or possession or right to the use or possession of the rooms per § 3.12.020(B). These rooms are released back into inventory, and the damage fee is based on when the cancellation occurs. Taxpayer requests these charges be removed.

Misc Fees – Auditor included all charges of misc. revenue in Dept 0070. Not all charges in this account are subject to TOT. The only charge in this account subject to TOT is the Daily Pet Boarding Fee. The findings provided state that “Rent is defined as all charges imposed on a transient guest for the *rent* of a room for lodging purchases.” However, per § 3.12.020(E) states that Rent is defined as a consideration charged “*for the occupancy of space in a hotel*”. Occupancy per § 3.12.020(B) has not been met with most of these charges. Cleaning and other charges in this account are not related to or a condition of occupancy. Taxpayer requests another review.

F&B Packages – These charges are not subject to TOT as these charges are assessed California sales and use tax. If an item is subject to California sales tax, it is exempt from other locally imposed taxes per California regulation 1603(a)(2)(B). Taxpayer requests this item to be removed.

Resort Fees – These fees were not considered taxable in a prior audit and no written communication was provided by the City stating that these fees were subject to TOT. Due to audit trends in the state, the property cautiously started taxing these fees in January 2024. Due to no communication and property’s foresight to tax these fees, taxpayer requests the prior years be removed.

In conclusion, taxpayer is requesting another review to arrive at a fair assessment. Once documents were submitted in May 2025, auditor did not ask any questions during her review.

Taxpayer reached out in June and July of 2025 asking if there were any questions on the documents submitted. A response was received July 31, 2025, that the audit was already submitted to the City for their review. No conversations were held between taxpayer and auditor during this time, despite taxpayer asking auditor if there were any questions. We appreciate your time in reviewing our request.

If there are any questions and/or additional information is needed, please contact me by phone at [REDACTED] or by email at [REDACTED].

Respectfully,

Denise DeLozier
Denise DeLozier
Assistant Tax Manager – Lodging Audits

Telephone: [REDACTED]
Email: [REDACTED]

Ritz Carlton Hotel
Attention: TOT Processor
1 Miramontes Point Road
Half Moon Bay, CA

Account: [REDACTED]

November 10, 2025

TOT AUDIT FINDINGS

Dear Lodging Provider:

Thank you for your assistance during our audit review of your **City of Half Moon Bay** Transient Occupancy Tax TOT filings and for extending your cooperation to our auditor during the review. The TOT audit review spanned the calendar months from **January 1, 2021, through August 31, 2024.**

The purpose of this letter is to inform you of the **City of Half Moon Bay** decision regarding the audit findings and to inform you of the amount owed resulting from the audit.

Findings Summary Table

TOT Findings

Label	Rent	TOT	Penalties	Interest	Total
Finding 1- Untaxed Guest Charges	\$11,259,344.43	\$1,659,755.96	\$331,951.19	\$172,404.95	\$2,164,112.10

Finding 1: Untaxed Guest Charges

Summary:

The hotel omitted from taxation the below transient guest charges in error.

Group CXL Fees
Misc Fees
F&B Package
Resort Fees

These charges fall under the category, Untaxed Guest Charges, because they are clearly considered Rent, by definition, under the municipal code. Rent is defined as all charges imposed on a transient guest for the rent of a room for lodging purposes, without any deductions therefrom; and, under the code, Rent is taxable, unless exempted. Since the business of the hotel is to provide short-term lodging, and transient guests engage in business with the hotel for that purpose, all charges imposed by the hotel are considered Rent, with notable exceptions approved by the tax administrator. Hotels seeking guidance on the taxability of any given charge should consult with the tax administrator prior to omitting a charge from taxation.

Where Was it Found?

Monthly P&L Reports and GL & Rec

How was it Calculated?

HdL used actuals provided by the hotel. The total for each year was divided evenly for the audit period.

Telephone: [REDACTED]

Email: [REDACTED]

Supporting Evidence

Interest Months	Period	Group CXL				TOT				
		Fee	Misc	F&B Pkg	Resort Fee	Rent	Uncollected	Penalties	Interest	Total
37	9/30/2021	\$ 35,039.24	\$ 15,773.48	\$ 8,436.13	\$ 189,546.13	\$ 248,794.98	\$ 34,831.30	\$ 6,966.26	\$ 6,443.79	\$ 48,241.35
36	10/31/2021	\$ 35,039.24	\$ 15,773.48	\$ 8,436.13	\$ 189,546.13	\$ 248,794.98	\$ 34,831.30	\$ 6,966.26	\$ 6,269.63	\$ 48,067.19
35	11/30/2021	\$ 35,039.24	\$ 15,773.48	\$ 8,436.13	\$ 189,546.13	\$ 248,794.98	\$ 34,831.30	\$ 6,966.26	\$ 6,095.48	\$ 47,893.03
34	12/31/2021	\$ 35,039.24	\$ 15,773.48	\$ 8,436.13	\$ 189,546.13	\$ 248,794.98	\$ 34,831.30	\$ 6,966.26	\$ 5,921.32	\$ 47,718.88
33	1/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 44,785.79	\$ 8,957.16	\$ 7,389.65	\$ 61,132.60
32	2/28/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 44,785.79	\$ 8,957.16	\$ 7,165.73	\$ 60,908.67
31	3/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 44,785.79	\$ 8,957.16	\$ 6,941.80	\$ 60,684.74
30	4/30/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 44,785.79	\$ 8,957.16	\$ 6,717.87	\$ 60,460.81
29	5/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 44,785.79	\$ 8,957.16	\$ 6,493.94	\$ 60,236.88
28	6/30/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 44,785.79	\$ 8,957.16	\$ 6,270.01	\$ 60,012.95
27	7/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 47,984.77	\$ 9,596.95	\$ 6,477.94	\$ 64,059.67
26	8/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 47,984.77	\$ 9,596.95	\$ 6,238.02	\$ 63,819.75
25	9/30/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 47,984.77	\$ 9,596.95	\$ 5,998.10	\$ 63,579.82
24	10/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 47,984.77	\$ 9,596.95	\$ 5,758.17	\$ 63,339.90
23	11/30/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 47,984.77	\$ 9,596.95	\$ 5,518.25	\$ 63,099.97
22	12/31/2022	\$ 102,059.18	\$ 13,286.68	\$ 10,288.26	\$ 194,264.35	\$ 319,898.47	\$ 47,984.77	\$ 9,596.95	\$ 5,278.32	\$ 62,860.05
21	1/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 7,861.39	\$ 97,705.84
20	2/28/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 7,487.04	\$ 97,331.49
19	3/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 7,112.69	\$ 96,957.14
18	4/30/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 6,738.33	\$ 96,582.79
17	5/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 6,363.98	\$ 96,208.44
16	6/30/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 5,989.63	\$ 95,834.08
15	7/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 5,615.28	\$ 95,459.73
14	8/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 5,240.93	\$ 95,085.38
13	9/30/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 4,866.57	\$ 94,711.03
12	10/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 4,492.22	\$ 94,336.68
11	11/30/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 4,117.87	\$ 93,962.33
10	12/31/2023	\$ 277,867.96	\$ 11,627.69	\$ 7,777.08	\$ 201,863.12	\$ 499,135.86	\$ 74,870.38	\$ 14,974.08	\$ 3,743.52	\$ 93,587.97
9	1/31/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 367.67	\$ 10,172.10
8	2/29/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 326.81	\$ 10,131.25
7	3/31/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 285.96	\$ 10,090.40
6	4/30/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 245.11	\$ 10,049.54
5	5/31/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 204.26	\$ 10,008.69
4	6/30/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 163.41	\$ 9,967.84
3	7/31/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 122.56	\$ 9,926.99
2	8/31/2024	\$ 33,785.10	\$ 13,806.39	\$ 6,877.58	\$ -	\$ 54,469.07	\$ 8,170.36	\$ 1,634.07	\$ 81.70	\$ 9,886.14
Totals		\$4,969,563.45	\$472,517.43	\$305,549.31	\$5,511,714.24	\$11,259,344.43	\$1,659,755.96	\$331,951.19	\$172,404.95	\$2,164,112.10



HdL Companies
TOT Audit Division
8839 N. Cedar Avenue #212
Fresno, CA 93720

HdL Lodging Tax

Telephone: [REDACTED]

Email: [REDACTED]

Please contact HdL Lodging Tax, the City's TOT Processor, by email if you have any questions. All findings have been approved by the **City of Half Moon Bay**. However, you have the right to dispute. The due date to pay the findings or dispute is **November 25, 2025**. If you wish to dispute, please email the auditor directly at [REDACTED] and cc [REDACTED] by the due date, providing your dispute rationale and any evidence (reports, calculations) to support your claim. The auditor will review your dispute and supporting records and contact you if any further information is required.

To pay your finding amount of **\$2,164,112.10** by the due date, make your check payable to The **City of Half Moon Bay**, attach a copy of this letter, and mail to the following address, ensuring that the postage date is prior to the due date:

TOT AUDIT DIVISION
8839 N Cedar Ave Suite 212
Fresno, CA. 93720

The **City of Half Moon Bay** and HdL Companies are committed to assisting you in completing your TOT returns accurately to avoid future oversights. Please contact us with any questions.

Best Regards
The **City of Half Moon Bay**
TOT Audit Division

PROPOSITION TC
(Adopted by the Voters of Los Angeles at the Election held on June 2, 2026)

ORDINANCE NO. 188970

An ordinance amending portions of Article 1.7 of Chapter II of the Los Angeles Municipal Code to require online travel agencies, companies, and platforms to collect and remit the City of Los Angeles Transient Occupancy Tax on all charges and fees imposed for a hotel room. (Changes to the language of the Municipal Code are shown in underline type for added language and ~~strikeout~~ type for deleted language.)

WHEREAS, the Los Angeles Municipal Code establishes the City's Transient Occupancy Tax (TOT), which is a tax paid by a person who occupies a room or space in a hotel as defined in the TOT ordinance;

WHEREAS, the Office of Finance has issued reports analyzing the TOT collection deficiency that arises when hotel rooms are booked through online travel companies (See Council File Nos. 23-0318 and 24-1456);

WHEREAS, as analyzed in the Office of Finance reports, the business model used by online travel companies, in which the online travel company negotiates a discounted or wholesale rate for hotel rooms but then charges the customer a higher amount for the right to occupy the room, results in room-related charges that are outside the scope of the current TOT;

WHEREAS, the City Administrative Officer has issued a report noting the fiscal benefits to the City's general operating budget in addressing this TOT collection gap arising from the monetary difference between wholesale or discounted rates paid by online travel companies and the amount paid by hotel guests who pay for hotel rooms through an online travel company; and

WHEREAS, this ballot measure, if approved by the voters, would update the City's existing TOT ordinance to address the collection deficiency arising from the business activity of online travel companies.

NOW THEREFORE,

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. The first paragraph of Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

Except where the context otherwise requires, the definitions given in this section govern the construction of this article. The definitions are intended to be

broadly construed in favor of the imposition, collection, and remittance of the tax under this article.

Sec. 2. Subsection (e) of Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

(e) Rent. "Rent" means the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever, and includes, but is not limited to, the following: ~~Nothing in this definition shall be construed to mean that rent is charged directly or indirectly for the occupancy of space in a hotel when that space is provided to the occupant as a compliment from the operator and no consideration is charged to or received from any other person~~

1. discount room charges and facilitation fees;
2. transaction fees, service fees, booking fees, processing fees, retail markups, commissions, cancellation and attrition fees, and California Tourism Marketing Assessments;
3. unrefunded advance reservation and other rental deposits;
4. charges levied for items or services including, but not limited to charges for furniture, fixtures, appliances, linens, towels, non-coin-operated safes; spa or fitness center usage or access; resort usage or access (commonly referred to as resort or destination fees); internet, television, and phone access or usage; housekeeping or room cleaning; pet occupancy, pet fees, or pet-related cleaning; additional guests/transients; and/or partial days, or early or late arrival or departure;
5. consideration or value received by an operator from an award or reward program, including the redemption of award or reward points, incentives, or bonuses; and
6. any other charge reasonably attributable to rent that is part of a travel package.

Nothing in this definition shall be construed to mean that rent is charged directly or indirectly for the occupancy of space in a hotel when that space is provided to the occupant as a compliment from the operator and no consideration is charged to or received from any other person.

Sec. 3. Subsection (f) of Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

(f) Operator. “Operator” means any person who is a principal operator or a secondary operator. ~~the person who is either the proprietor of the hotel or any other person who has the right to rent rooms within the hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee or any other capacity. The owner or proprietor who is primarily responsible for operation of the hotel shall be deemed to be the principal operator. If the principal operator performs or assigns its functions, in whole or in part, through a managing agent, a booking agent, a room seller or room reseller, or any other agent or contractee, including but not limited to Hosting Platforms as defined in 12.03 of this Code, on-line room sellers, on-line room resellers, and on-line travel agents, of any type or character other than an employee, those persons shall be deemed to be secondary operators.~~

~~A secondary operator shall be deemed an operator for purposes of this article and shall have the same duties and liabilities as the principal operator, including, but not limited to, the collection and remittance of the full amount of the tax owed under the provisions of this article to the City. A secondary operator may satisfy its obligations under the provisions of this article by submitting the full amount of tax due under this article, with credit for any taxes remitted to any other operator, either directly to the Director of Finance or through the principal operator.~~

~~—Compliance with the provisions of this article by either the principal operator or the secondary operator shall be deemed compliance by both and no provision of this article shall be deemed to require the payment and/or remittance of any amount other than the full amount of the tax owed by the transient.~~

Sec. 4. New Subsections (g) through (n) are added to Section 21.7.2 of Article 1.7, Chapter II of the Los Angeles Municipal Code to read as follows:

(g) Facilitation Fee. “Facilitation Fee” means the amount by which the posted room charge exceeds the discount room charge, if any.

(h) Intermediary. “Intermediary” means any person that directly or indirectly (i) facilitates the occupancy in a hotel, and (ii) charges, collects, or receives rent in connection with such occupancy, which may include, without limitation, a facilitation fee. Intermediary includes, without limitation, a travel or booking agent, Hosting Platform as defined under Section 12.22 A.32 of this Code, a room seller or reseller, an online room seller or reseller, and an online travel agent or company of any type or nature whatsoever.

(i) Facilitates the occupancy in a hotel. “Facilitates the occupancy in a hotel” means brokering, coordinating, or in any other way arranging for the

purchase of, the sale for, or right to, occupancy in a hotel by the (customer) general public.

(j) Discount Room Charge. "Discount Room Charge" means the total amount charged by the operator to the secondary operator for occupancy in a hotel for rent.

(k) Posted Room Charge. "Posted Room Charge" means the total consideration charged by an intermediary to a transient, including any fee or charge imposed in connection with the sale before taxes.

(l) Travel Package. "Travel Package" means an accommodation bundled with one or more separate components such as air transportation, car rental, or similar items and charged for a single retail price.

(m) Secondary Operator. "Secondary Operator" means any person that is a managing agent, a booking agent, a room seller or room reseller, broker, intermediary, or any other agent or contractee, including but not limited to a Hosting Platform as defined in Section 12.22 A.32 of this Code, online room seller, online room reseller, and online travel agent, of any type or character to whom a principal operator assigns any of its functions, in whole or in part, other than an employee.

(n) Principal Operator. "Principal Operator" means any person who has the right to rent rooms within a hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee, or any other capacity and who is primarily responsible for the operation of the hotel.

Sec. 5. Section 21.7.5 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

SEC. 21.7.5. OPERATOR'S DUTIES.

Each operator shall collect the tax imposed by this article to the same extent and at the same time as the rent is collected from every transient. The amount of tax shall be separately stated from the amount of the rent charged and each transient shall receive a receipt for payment from the operator. No operator ~~of a hotel~~ shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by ~~the~~ such operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner herein provided. A secondary operator may satisfy its obligations under the provisions of this article by submitting the full amount of tax due under this article, with credit for any taxes remitted to the relevant operator, either directly to the Director of Finance or through such other relevant operator. Compliance with the provisions of this article by either the principal operator or the secondary operator shall be deemed compliance by both

with respect to the applicable tax obligation and no provision of this article shall be deemed to require the payment and/or remittance of any amount other than the full amount of the tax owed by the transient.

Sec. 6. The first paragraph of Section 21.7.7 of Article 1.7, Chapter II of the Los Angeles Municipal Code is amended to read as follows:

~~Each~~ An operator shall, on or before the 25th day of each calendar month, make a statement to the Director of Finance of the total rents charged and received, and the amount of tax collected for transient occupancies during the preceding calendar month, including a statement of the amount of rent received from each secondary operator for such preceding calendar month, to the extent applicable. At the time the statement is filed, the full amount of the tax collected and tax not collected but required to be collected, shall be remitted to the Director of Finance. Except as provided in Sec. 21.7.8, an operator shall not be required to remit to the Director of Finance any amount of tax not collected and not required to be collected from a transient. All taxes collected and required to be collected by operators pursuant to this article shall be held in trust for the account of the City until payment thereof is made to the City. The full amount of tax due, whether collected or owed but not collected, under this Article shall be deemed a debt owed to the City by the operator and shall be discharged only upon payment to the City.

Sec. 7. Submission to voters. The ordinance herein shall be submitted to the voters of the City. If the ordinance is approved by a majority of the votes cast, the ordinance shall be enacted and the applicable sections set forth herein shall thereafter be considered part of the Los Angeles Municipal Code.

Sec. 8. Amendments. The Council may amend any provision of this ordinance, but any amendment that would result in a tax being imposed, extended or increased would require voter approval.

Sec. 9. Severability. If any section, subsection, clause, sentence, phrase, or application of this ordinance or any portion thereof is held unconstitutional or invalid by any court or tribunal of competent jurisdiction, the remaining sections, subsections, clauses, sentences, phrases, portions, or applications of the ordinance shall remain in full force and effect, and to this end the provisions of this ordinance are severable. In addition, the voters declare that they would have passed all sections, subsections, clauses, sentences, phrases, portions and applications of this ordinance without the section, subsection, clause, sentence, phrase, portion or application held unconstitutional or invalid.

Sec. 10. This measure is intended by the City Council and the voters to be complementary and supplementary to the ballot measure related to increasing the Transient Occupancy Tax that has been submitted to the voters by the City Council to appear on the same ballot as this measure. In the event that both measures receive

approval by a majority of the voters, the provisions of the measures shall be deemed complementary and supplementary to each other and not in conflict, and all of the provisions of both measures shall be enacted and valid.



**AGENDA DEL AYUNTAMIENTO
REUNIÓN ESPECIAL DEL AYUNTAMIENTO
CIUDAD DE LA BAHÍA DE MEDIA LUNA**

MARTES, 22 DE SEPTIEMBRE DE 2026

**CENTRO COMUNITARIO TED ADCOCK,
535 AVENIDA KELLEY,
HALF MOON BAY, CALIFORNIA 94019**

**Debbie Ruddock, alcaldesa
Deborah Penrose, vicealcaldesa
Robert Brownstone, concejal
Patric Jonsson, concejal
Paul Nagengast, concejal**

18:00

Esta agenda contiene una breve descripción de cada punto a considerar. Quienes deseen dirigirse al Ayuntamiento sobre cualquier asunto no incluido en la agenda, pero que esté dentro de la jurisdicción del Ayuntamiento para resolver, podrán presentarse al atril durante la parte del Foro Público y dispondrán de un máximo de tres minutos para debatir su punto. Quienes deseen intervenir sobre un asunto empresarial o de audiencia pública serán llamados en el momento oportuno durante la consideración de dicho punto.

NOTA: Cualquier persona que desee presentar materiales al Ayuntamiento, por favor envíe siete copias al Secretario Municipal.

Copias de documentación escrita relacionada con cada punto del orden del día están archivadas en la Oficina del Secretario Municipal del Ayuntamiento, donde están disponibles para su inspección pública. Si se solicita, la agenda estará disponible en formatos alternativos apropiados para personas con discapacidad, tal y como exige la Sección 202 de la Ley de Estadounidenses con Discapacidades de 1990 (42 U.S.C. Sec. 12132). Se puede obtener información llamando al 650-726-8271.

En cumplimiento con la Ley de Estadounidenses con Discapacidades, se puede obtener asistencia especial para participar en esta reunión contactando con la Oficina del Secretario Municipal en el 650-726-8271. Una notificación de 48 horas permitirá a la ciudad proporcionar adaptaciones razonables para garantizar la accesibilidad a esta reunión (28 CFR 35.102-35.104 ADA Título II).

<http://halfmoonbay.gov/>

PROTOCOLOS HÍBRIDOS DE PARTICIPACIÓN EN REUNIONES

Esta reunión especial recibirá comentarios del público en persona y por Zoom. Todos los concejales y el personal participarán en persona. Durante cualquier parte de comentarios públicos, los asistentes pueden usar la función de "levantar la mano" y serán llamados y desactivados cuando les toque hablar. Por favor, haz clic para unirte al seminario web:

<https://us06web.zoom.us/j/87162635806?pwd=026qRhvZf1bjmi3FFajDwtl61fRiye.1> o únete por teléfono al 1-408-638-0968, usando el ID del seminario web 871 6263 5806 Código de acceso: 123456 . Si te unes por teléfono, usa *9 para levantar la mano, *6 para silenciar y desactivar el silencio.

1. CONVOCAR REUNIÓN ESPECIAL / LISTA DE LISTA

2. APELACIÓN DE LA DETERMINACIÓN DEL ADMINISTRADOR FISCAL SOBRE IMPUESTOS DE OCUPACIÓN TRANSITORIA ATRASADA - 1 MIRAMONTES POINT RD, HALF MOON BAY, CA 94019 (MARRIOTT INTERNATIONAL, INC)

2. A CELEBRAR LA AUDIENCIA PÚBLICA SOBRE LA APELACIÓN Y ADOPTAR UNA RESOLUCIÓN QUE DENIEGUE LA APELACIÓN Y CONFIRME LA ADMINISTRACIÓN FISCAL Y LA AUTORIDAD FISCAL; DETERMINACIÓN FINAL DE IMPUESTOS POR OCUPACIÓN TRANSITORIA ATRASADA, SANCIONES E INTERESES POR OPERACIONES EN 1 MIRAMONTES POINT ROAD, HALF MOON BAY, CA 94019 (MARRIOTT INTERNATIONAL, INC) Y LA INSTRUCCIÓN DEL PERSONAL A TOMAR TODAS LAS MEDIDAS NECESARIAS PARA COBRAR LAS CANTIDADES ADEUDADAS, INCLUYENDO LA PRESENTACIÓN DE UN GRAVAMEN SOBRE LA PROPIEDAD.

[PERSONAL REPORT.pdf](#)

[ANEXO 1 - Resolution.pdf](#)

[ANEXO 2 - Código Municipal Capítulo 3.12.pdf](#)

[ANEXO 3 - Determinación final Letter.pdf](#)

[ANEXO 4 - Aviso de Appeal.pdf](#)

3. LEVANTE LA REUNIÓN ESPECIAL

TRADUCCIONES

AGENDA TRADUCIDA



August 28, 2026

SECOND NOTICE OF DELINQUENCY
Transient Occupancy Tax Audit Assessment

Taxpayer: The Ritz-Carlton Half Moon Bay
Audit Period: September 1, 2021, through August 31, 2024

Dear Taxpayer:

This letter serves as a Second Notice of Delinquency regarding the outstanding Transient Occupancy Tax assessment resulting from the City's audit of The Ritz-Carlton Half Moon Bay for the period September 1, 2021 through August 31, 2024.

The assessment remains unpaid. Although the City has received and reviewed your protest, the assessment continues to be due pending the final resolution of any remaining review items.

As of the date of this notice:

- Audit Assessment: \$1,659,755.96
- Penalty: \$331,951.19
- Interest Accrued: \$363,276.89
- Total Amount Due: \$2,354,984.04

Payment must be received within 10 calendar days of the date of this notice. Failure to remit payment may result in additional penalties, interest, and collection actions as authorized under the City's Transient Occupancy Tax Ordinance. Any tax required to be paid under the provisions of Chapter 3.12 of the Half Moon Bay Municipal Code is deemed a debt owed to the city. Any person owing money to the City pursuant to Chapter 3.12 is liable to an action brought in the name of the City, or the recovery of such amount, and for attorneys' fees and costs incurred in the enforcement of Chapter 3.12. If any amount required to be paid to the City is not paid when due, the City may record a lien upon real property pursuant to Section 3.12.140 of the Half Moon Bay Municipal Code.

You may appeal this determination to the City Council pursuant to section 3.12.100 of the Half Moon Bay Municipal Code within 10 calendar days of the date of this notice.

If additional documentation is submitted regarding the protested items currently under review, the City will consider any appropriate adjustment. However, no adjustment has been granted at this time, and the assessment remains due and payable.

Please submit payment to:
TOT Audit Division
8839 N Cedar Avenue, Suite 212
Fresno, CA 93720

NOTICE: The audit period covered by this notice ended in August 2024. The City believes that the issues identified through the audit, as set forth in the City's Response to Protest of Transient Occupancy Tax Audit Findings dated August 28, 2026, are still unresolved after that date. Accordingly, additional amounts may be due for subsequent reporting periods. Any such amounts are not included in the delinquency stated in this notice and may be subject to further review, assessment, and applicable penalties and interest.

Sincerely,

Matthew Chidester

Matthew Chidester
City Manager
City of Half Moon Bay