

Ordinance 2025-05
City of Hanford Transient Occupancy Tax Ordinance of 2025

AN ORDINANCE OF THE PEOPLE OF THE CITY OF HANFORD, CALIFORNIA AMENDING HANFORD MUNICIPAL CODE SECTION 3.24.030 TO INCREASE THE CITY'S TRANSIENT OCCUPANCY TAX RATE FROM EIGHT PERCENT (8%) TO TWELVE PERCENT (12%) EFFECTIVE JANUARY 1, 2026.

WHEREAS, the City of Hanford's prime responsibilities are to protect the public's safety, maintain fiscal stability, and provide a high quality of life for its residents; and

WHEREAS, over the last several years the State of California has gone from one financial crisis to another with no end in sight; and

WHEREAS, during each of the past several years the State of California has reduced or taken funding from cities, counties, and school districts in order to fund its deficits and may continue to do so into the foreseeable future; and

WHEREAS, the State of California has shifted responsibility for many programs back to cities, like Hanford, without the necessary funds to provide the services residents need and expect; and

WHEREAS, transient occupancy tax revenues, which have been a source of locally controlled funds available to pay for essential City services, are limited; and

WHEREAS, the City of Hanford needs dependable and local sources of revenue to fund and to support essential, necessary, and appropriate general City services provided to the public; and

WHEREAS, the City's general fund expenditures are projected to increase due to inflationary costs and unfunded mandates from the state in the near future causing the City to have challenges to maintain all levels of service and will not have capacity to fund facilities that are necessary to deliver services that the community desires; and

WHEREAS, a local funding measure to increase transient occupancy tax revenues would provide an additional local revenue source to help maintain and limit or prevent additional future cuts to essential, necessary, and appropriate general City services; and

WHEREAS, pursuant to California Revenue and Taxation Code section 7280, *et seq.*, the City of Hanford ("City") has the authority to levy a transient occupancy tax ("TOT") upon the privilege of occupying a hotel, as defined in Chapter 3.24 of the City's Municipal Code, for a period of 30 days or less; and

WHEREAS, the City's TOT rate is currently eight percent (8%). Many nearby jurisdictions have a TOT rate between ten percent (10%) and twelve percent (12%). At this time, the City's TOT rate is less than each of the following jurisdictions: Visalia, Porterville, Tulare,

Fresno, Selma, and Kingsburg; and

WHEREAS, the City desires to increase its TOT from the existing eight percent (8%) to twelve percent (12%) effective January 1, 2026; and

WHEREAS, this measure will give the City of Hanford local control over local funds for local needs and no funds from this measure can be taken by Sacramento.

NOW THEREFORE, the people of the City of Hanford do ordain as follows:

Section 1. Hanford Municipal Code Section 3.24.030 is amended to state:

§ 3.24.030. Tax imposed.

For the privilege of occupancy in any hotel, each transient shall be subject to and shall pay a tax in the amount of eight percent (8%) of the rent charged by the operator. Effective January 1, 2026, such tax shall be in the amount of twelve percent (12%). Such tax shall constitute a debt owed by the transient to the city, which debt shall be 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 director of finance may require that such tax be paid directly to the director of finance.

Section 2. This Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations), and the City's environmental procedures. The City has determined that this Ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15060(c)(2), 15060(c)(3), and 15061(b)(3) because the city council hereby finds with certainty that there is no possibility the passage of this Ordinance will result in a direct or reasonably foreseeable indirect physical change in the environment nor have a significant effect on the environment

Section 3. If any section, subsection, clause, sentence, word, or phrase of this Ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of remaining portions of this Ordinance. The city council declares that it would have adopted this Ordinance and each of the provisions thereof irrespective of the fact that one or more such provisions, sections, subsection, phrases, or clauses be declared invalid and/or unconstitutional.

Section 4. If this Ordinance is approved by a majority of the electors voting on the issue at the November 4, 2025, special municipal election, pursuant to Elections Code Section 9217, the Ordinance shall become effective ten (10) days after the city council accepts the certified results

of the election.

Section 5. The city clerk is hereby directed to publish this Ordinance at least once, within fifteen (15) days after the election results are certified, in a newspaper of general circulation published and circulated in the City of Hanford.

PASSED, APPROVED, AND ADOPTED, on this fourth (4th) day of November, 2025.

TRAVIS PADEN, MAYOR

ATTEST:

NATALIE CORRAL, CITY CLERK

APPROVED BY CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF KINGS)ss
CITY OF HANFORD)

I, Natalie Corral, City Clerk of the City of Hanford, California do hereby certify that the foregoing Ordinance No. 24-XXXX was duly adopted by the voters of the City of Hanford on the 4th day of November, 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk.

NATALIE CORRAL, CITY CLERK