#52a
09/30/2025

(O-2026-12 REV.)

ORDINANCE NUMBER O-22003 (NEW SERIES)

DATE OF FINAL PASSAGE OCT 08 2025

AN ORDINANCE AMENDING CHAPTER 3 OF THE SAN DIEGO MUNICIPAL CODE BY ADDING NEW ARTICLE 12, DIVISION 1, SECTIONS 312.0101, 312.0102, 312.0103, 312.0104, 312.0105, 312.0106, 312.0107, 312.0108, 312.0109, 312.0110, 312.0111, AND 312.0112 RELATING TO THE MINIMUM WAGE FOR HOSPITALITY EMPLOYEES.

RECITALS

The Council of the City of San Diego (Council) adopts this Ordinance based on the following:

A. The City of San Diego (City) has a vested interest in the success of its tourism and hospitality industry because it is a substantial source of revenue for City programs and services. A strong and stable workforce that supports the tourism and hospitality industry helps the City generate tax revenue.

B. The San Diego region has one of the top-performing tourism and hospitality markets in the country, and, in 2024, exceeded market forecasts with 17.5 million booked hotel rooms. Amusement parks, such as SeaWorld San Diego, have reported strong financial results, near record attendance, and record total revenue. Similarly, event centers, including Petco Park and San Diego Convention Center, have reported record attendance and strong convention business.

C. The City has made significant financial investments to enable the tourism and hospitality industry to thrive. For example, the City established and maintains the San Diego Tourism Marketing District, lobbies for cruise and airline routes to San Diego, administers promotional programs to increase tourism, and provides infrastructure that supports the tourism and hospitality industry, such as public roads and emergency response services. The City's investments have helped the tourism and hospitality industry, which is one of the San Diego region's four largest industries and supports one in eight jobs in the region.

D. Hotel, event center, and amusement park employees are the backbone of the hospitality industry and provide services directly to guests. However, many of the employees who support the hospitality industry do not earn a wage sufficient to support themselves and their families because of the high cost of living in the San Diego region and the region's rate of inflation. The rate of inflation in the San Diego region is currently one of the highest in the nation. Across the United States and among all industries, the hospitality industry has the largest share of workers earning less than $18 per hour.

E. The lack of a sufficient wage in the hospitality industry to support a worker and their family has profound impacts on the San Diego region given the size and growth of the industry. The lack of a sufficient wage also affects the stability of the hospitality workforce.

F. The strength and stability of the hospitality industry is critical to funding City programs and services. The hospitality industry contributes to the City's revenue, including through sales tax and transient occupancy tax.

G. Income inequity is also one of the most pressing issues in the City. Housing and other costs have increased significantly in recent years and have impacted workers in the hospitality sector, in particular. According to the United States Bureau of Labor Statistics, the median wage for janitors, entertainment attendants, and housekeeping workers in the San Diego region is approximately 40 percent below the wage needed for a one-person household to support themselves.

H. In 2016, the Council adopted the Earned Sick Leave and Minimum Wage Ordinance, which established a minimum wage for work performed within the City. Although the City's minimum wage has increased over the years and is presently greater than the federal and state minimum wage, the cost of living in the area continues to make it difficult for a worker

to support themselves and their family while working full time and earning the City's minimum wage. Without a wage that allows employees to support themselves and their families, employees must rely on additional jobs or government resources.

I. Through this Ordinance, the Council intends to address the City's economic needs and the needs of the critical hospitality workforce within the City. The Council does not wish to place an undue burden on hotels with less than 150 rooms, smaller event centers, or amusement parks with less than 75 contiguous acres seeking to maintain operations in this high-cost area, however. Therefore, to balance various interests, this Ordinance requires employers in the hospitality industry to pay a wage to their employees that allows them to better support themselves and their families but exempts smaller facilities from the wage requirements of this Ordinance.

J. Violations of this Ordinance are declared to irreparably harm the public and covered employees generally.

K. The Office of the City Attorney prepared this Ordinance based on the information provided by City staff, including information provided by affected third parties and verified by City staff, with the understanding that this information is complete and accurate.

ACTION ITEMS

Be it ordained by the Council of the City of San Diego:

Section 1. Chapter 3 of the San Diego Municipal Code is amended to add Article 12, Division 1, sections 312.0101, 312.0102, 312.0103, 312.0104, 312.0105, 312.0106, 312.0107, 312.0108, 312.0109, 312.0110, 312.0111, and 312.0112, to read as follows:

Article 12: City of San Diego Hospitality Minimum Wage

Division 1: City of San Diego Hospitality Minimum Wage Ordinance

§312.0101 Purpose and Intent

The purpose and intent of this Division is to ensure that *employees* who work in the hospitality industry within the *City*, specifically at *hotels, event centers,* and *amusement parks,* receive a wage that allows *employees* to better provide for themselves and their families. The *City* has an interest in ensuring that the hospitality workforce is stable and productive because the *City* relies on revenue the hospitality industry generates, including from sales tax and transient occupancy tax, to fund critical *City* services and programs. The *City* also has an interest in promoting an employment environment that protects government resources, increases consumer income, decreases poverty, and stimulates local businesses.

§312.0102 Citation

This Division shall be cited as the City of San Diego Hospitality Minimum Wage Ordinance.

§312.0103 Authority

This Division is adopted pursuant to the powers vested in the *City* under the Constitution and the laws of the State of California, including the *City's* police powers under article XI, sections 5 and 7 of the California Constitution and California Labor Code section 1205(b).

§312.0104 Definitions

For purposes of this Division, defined terms appear in italics. To the extent that a federal, state, or other law is referenced within this Division, the citation includes

and incorporates the law as it may be amended or renumbered in the future. The following definitions apply in this Division:

Amusement park means a facility operated for profit that is:

(a) located within the territorial boundaries of the *City* and comprised of at least 75 contiguous acres;

(b) open to the public for the purpose of entertainment or amusement and contains permanent amusement rides; and

(c) operated pursuant to a lease, operating agreement, or other contractual agreement with the *City*.

Amusement park includes all restaurants, bars, event spaces, retail shops, parking facilities, and all other facilities located on the grounds of an *amusement park.* *Amusement park* does not include temporary or seasonal fairs, carnivals, festivals, or similar short-term events that are operated for fewer than 30 days in a calendar year.

City means the City of San Diego.

Employee means any natural person who:

(a) performs at least two hours of work within the territorial boundaries of the *City* for a *hospitality employer* in one or more calendar weeks of the year;

(b) performs work that is directly related to the *hospitality employer's hotel, event center,* or *amusement park;*

(c) qualifies as an employee entitled to payment of a minimum wage from any employer under the California Labor Code and wage orders published by the California Industrial Welfare Commission or the California Division of Labor Standards Enforcement; and

(d) is not employed as an independent contractor as defined under the California Labor Code. For purposes of this Division, there is a rebuttable presumption that a worker is an *employee* and not an independent contractor. A *hospitality employer* may rebut this presumption by demonstrating a worker satisfies all conditions described in California Labor Code section 2775 to be an independent contractor.

Enforcement Office means the *City's* Compliance Department, Office of Labor Standards and Enforcement, or other *City* office or department under the authority of and designated by the City Manager to enforce this Division.

Enforcement Official has the same meaning as in San Diego Municipal Code section 11.0210.

Event center means the following facilities:

(a) Petco Park;

(b) Pechanga Arena San Diego;

(c) San Diego Convention Center; and

(d) Civic Theatre.

Event center includes all restaurants, bars, retail shops, parking facilities, and other facilities located on the grounds of an *event center. Event center* also includes any new or different structure constructed or operated on the grounds of an *event center* and used for the same purpose as an *event center*, regardless of the name of the *event center*.

Hospitality employer means any *person* who owns, operates, or manages:

(a) a *hotel, event center,* or *amusement park*;

(b) any contracted, leased, or sublet premises or facility on the grounds of a *hotel, event center*, or *amusement park* and which is directly related to the operations of the *hotel, event center*, or *amusement park* for at least 30 days in a calendar year; or

(c) any contracted housekeeping, janitorial, security, parking, valet parking, food preparation, ushering, ticket-taking, concession, retail store, massage or spa, restaurant, bar, or landscaping services that are provided on the grounds of a *hotel*, *event center*, or *amusement park.*

Hospitality employer does not include any governmental entity.

Hotel means a privately-owned facility:

(a) designated or used for lodging or other related services for the public located within the territorial boundaries of the *City*; and

(b) containing at least 150 guest rooms or suites that *persons* may rent for periods of 30 days or fewer.

Hotel does not include a facility, or portion thereof, used for short-term residential occupancy and regulated under Chapter 5, Article 10, Division 1 of the San Diego Municipal Code. *Hotel* includes all restaurants, bars, banquet halls, event spaces, retail shops, parking facilities, spas, and other facilities located on the grounds of a *hotel.*

Minimum wage means an hourly minimum wage rate, as defined in San Diego Municipal Code section 312.0105, to be paid to *employees*.

Person has the same meaning as in San Diego Municipal Code section 11.0210.

Retaliation means any threat, intimidation, harassment, discipline, discharge,

demotion, suspension, reduction in *employee* hours, or any other adverse employment action against any *employee* for exercising or attempting to exercise any right under this Division.

§312.0105 Minimum Wage

(a) *Hospitality employers* shall pay *employees* no less than the *minimum wage* for all hours worked within the territorial boundaries of the *City*. *Hospitality employers* must pay all wages owed *employees* under section 312.0105, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation, in a manner and frequency consistent with the California Labor Code and wage orders published by the California Industrial Welfare Commission or the California Division of Labor Standards Enforcement.

(b) The *minimum wage* for *hospitality employers* at *hotels* and *amusement parks*:

(1) is $19.00 per hour;

(2) is $20.50 per hour beginning July 1, 2027;

(3) is $22.00 per hour beginning July 1, 2028;

(4) is $23.50 per hour beginning July 1, 2029;

(5) is $25.00 per hour beginning July 1, 2030; and

(6) increases by an amount corresponding to the prior year's increase, if any, in the cost of living, beginning July 1, 2031, and each year thereafter.

(c) The *minimum wage* for *hospitality employers* at *event centers*:

(1) is $21.06 per hour;

(2) is $22.00 per hour beginning July 1, 2027;

(3) is $23.00 per hour beginning July 1, 2028;

(4) is $24.00 per hour beginning July 1, 2029;

(5) is $25.00 per hour beginning July 1, 2030; and

(6) increases by an amount corresponding to the prior year's increase, if any, in the cost of living, beginning July 1, 2031, and each year thereafter.

(d) For purposes of calculating the *minimum wage* described in section 312.0105(b)(6) and (c)(6), the prior year's increase in the cost of living is measured by the percentage increase, if any, as of December of the immediately preceding year over the level as of December of the previous year of the Consumer Price Index (Urban Wage Earners and Clerical Workers, U.S. City Average for All Items), or its successor index, as published by the United States Department of Labor, or its successor agency, with the amount of the *minimum wage* increase rounded up to the nearest multiple of five cents. The *City* shall announce the adjusted *minimum wage* by April 1 of each year that will become effective as the new *minimum wage* on July 1 of that year. The adjusted *minimum wage* shall be noticed and posted as set forth in this Division.

(e) If the federal, state, or *City* minimum wage is increased above the *minimum wage,* the *minimum wage* shall be increased to match the higher federal minimum wage, state minimum wage, or *City* minimum wage described in San Diego Municipal Code section 39.0107. The increased

minimum wage shall be effective on the same date as the increase in the federal, state, or *City* minimum wage takes effect.

(f) A *hospitality employer* that meets the requirements to claim a credit against the state minimum wage under the California Labor Code or wage orders published by the California Industrial Welfare Commission or the California Division of Labor Standards Enforcement for meals or lodging provided to *employees* may claim a credit in the same amount against the *minimum wage*.

(g) A *hospitality employer* shall not:

(1) fail to pay the *minimum wage* owed to an *employee*;

(2) fail to pay all overtime wages owed to an *employee* based on the *minimum wage*;

(3) make an unlawful deduction from the *minimum wage* that reduces an *employee's* wage below the *minimum wage*; or

(4) intentionally or knowingly misclassify an *employee* as an independent contractor to avoid paying the *minimum wage*.

§312.0106 Notice and Posting

(a) The *City* shall publish the following bulletins and notices regarding the *minimum wage*:

(1) a bulletin announcing the *minimum wage* for the upcoming year;

(2) a notice for *hospitality employers* to post in compliance with section 312.0106(d); and

(3) a template notice suitable for use by *hospitality employers* to comply with section 312.0106(e).

(b) The *City* shall publish the bulletins and notices described in section 312.0106(a) for the upcoming year by:

(1) April 1, 2026, with 2026 information; and

(2) April 1 of each year after 2026, with information for that year.

(c) The *City* shall make the notices described in section 312.0106(a)(2) and (3) available to *hospitality employers* in English, Spanish, and any other language for which the San Diego County Registrar of Voters provides translated ballot materials under section 203 of the federal Voting Rights Act or California Elections Code section 14201.

(d) *Hospitality employers* shall post the notice described in section 312.0106(a)(2) in a conspicuous place at any workplace or job site where an *employee* works. The notice shall be posted in English and in any other language the *City* makes the notice available if it is spoken by at least five percent of the *employees* at the *employee's* workplace or job site. The notice described in section 312.0106(a)(2) may be provided electronically to *employees* in addition to posting the notice.

(e) *Hospitality employers* shall provide written notice to each *employee* on the effective date of this Ordinance, and to new *employees* at the time of hire, of the *hospitality employer's* legal name and any fictitious business names, address, telephone number, and the *hospitality employer's* requirements under this Division. The written notice shall be provided to each *employee* in English and also in the *employee's* primary language, if the *City* provides a template notice in the *employee's* primary language and the language is spoken by at least five percent of the *employees* at the

hospitality employer's workplace or job site. The notice may be provided through an accessible electronic communication in lieu of a paper notice.

§312.0107 Employer Records

(a) *Hospitality employers* shall create contemporaneous written or electronic records documenting each *employee's* dates and hours worked and wages paid. *Hospitality employers* shall provide these records to *employees* on a regular basis in a manner that complies with California Labor Code section 226 and shall retain these records for at least three years.

(b) *Hospitality employers* shall allow the *Enforcement Official* reasonable access to these records in furtherance of a compliance review or investigation conducted under San Diego Municipal Code section 312.0110(d).

(c) A *hospitality employer's* failure to create and retain contemporaneous written or electronic records documenting each *employee's* dates and hours worked and wages paid, or to provide such records to an *Enforcement Official*, upon request, creates a rebuttable presumption that the *hospitality employer* has violated the recordkeeping requirements in section 312.0107(a). If a *hospitality employer* is unable to provide the records described in section 312.0107(a), the *Enforcement Official* may rely on an *employee's* reasonable estimate or other evidence regarding the dates and hours worked and wages owed.

§312.0108 Retaliation Prohibited

(a) *Hospitality employers* shall not engage in *retaliation* against an *employee*. Any *employee* who reasonably and in good faith reports a violation of this Division to their *hospitality employer* or a governmental agency tasked

with overseeing the enforcement of any wage and hour law applicable to the *hospitality employer* shall be entitled to the protections against *retaliation* described in section 312.0108.

(b) A *hospitality employer* is prohibited from engaging in *retaliation* against an *employee* who reasonably and in good faith:

(1) requests payment of the *minimum wage*;

(2) files a complaint for an alleged violation of this Division with the *Enforcement Office*, any other governmental wage and hour enforcement agency, or in a court of competent jurisdiction;

(3) communicates with any *person* about any violation or alleged violation of this Division;

(4) participates in any investigation or administrative or judicial action regarding an alleged violation of this Division;

(5) informs any *person* of their potential rights under this Division; or

(6) takes any other lawful action to enforce this Division.

(c) There is a rebuttable presumption that a *hospitality employer* has engaged in *retaliation* against an *employee* if the *hospitality employer* takes an adverse employment action against the *employee* within 90 calendar days of the *employee's* exercise of any right provided by this Division.

§312.0109 Remedies

(a) Any *person* claiming a violation of this Division, including an *employee* or the *City*, may bring a cause of action against a *hospitality employer* in a court of competent jurisdiction to enforce this Division, without exhausting the administrative relief set forth in this Division. Submitting a

complaint to the *Enforcement Office* is neither a prerequisite nor a bar to bringing a civil action in a court of competent jurisdiction.

(b) Any *person* claiming a violation of this Division, including an *employee* or the *City,* is entitled to all legal and equitable relief to remedy any violation of this Division, including:

(1) payment of back wages for unpaid *minimum wage* or unpaid overtime wages based on the *minimum wage,* to an aggrieved *employee*;

(2) reinstatement of employment or other injunctive relief;

(3) reasonable attorneys' fees and costs to any plaintiff who prevails in an action to enforce this Division; and

(4) payment of liquidated damages to an *employee* equal to double back wages owed.

(c) Any *hospitality employer* that engages in *retaliation* against an *employee* is subject to liquidated damages that are the greater of double back wages or $1,000 for each violation not resulting in termination of employment, or the greater of double back wages or $3,000 when an *employee* is terminated from employment for exercising any right provided under this Division. Violations of this Division are declared to irreparably harm the public and *employees* generally.

(d) Any *hospitality employer* that violates any requirement of this Division is subject to a civil penalty, assessed and payable to the *City*, of no less than $500, but no more than $1,000 per violation, except as otherwise provided

in section 312.0109. Each day that a *hospitality employer* fails to pay an *employee* the *minimum wage* constitutes a separate and distinct violation.

(e) Any *hospitality employer* that fails to comply with the notice and posting requirements in San Diego Municipal Code section 312.0106 is subject to a civil penalty, assessed and payable to the *City*, of $500 for each failure to post the required notices at the workplace or job site and for each *employee* who is not given the required notice pursuant to section 312.0106, up to a maximum of $2,000.

(f) Any *hospitality employer* that engages in *retaliation* against an *employee* is subject to a civil penalty, assessed and payable to the *City,* of no less than $1,000, but no more than $3,000 per violation.

(g) A *hospitality employer* that fails to cooperate with or respond to the *Enforcement Office's* compliance review or investigation pursuant to San Diego Municipal Code section 312.0110(d) within the time specified by the *Enforcement Official*, including a *hospitality employer*'s failure to provide requested information or documentation, is subject to a civil penalty of $1,000, assessed and payable to the *City,* for each instance the *hospitality employer* fails to cooperate or comply.

(h) The cumulative civil penalties that may be assessed against a *hospitality employer* that has not previously violated any provision of this Division are limited to $10,000. The minimum and maximum civil penalties that may be assessed under section 312.0109 shall be increased cumulatively by 50 percent for each subsequent violation of the same section in this Division by the same *hospitality employer* within a three-year period. If civil penalties

and costs are the subject of administrative appeal or judicial review, then the accrual of penalties and other costs is stayed until the determination of the appeal or review is final.

(i) A *hospitality employer* is deemed to have violated this Division upon the issuance of:

(1) a Notice of Satisfaction;

(2) an Administrative Enforcement Order; or

(3) a final judgment of a court of competent jurisdiction, with a finding of a violation.

(j) Violations of this Division may not be prosecuted as a misdemeanor or infraction.

(k) This Division does not create any right of action or cause of action for damages against the *City* in its enforcement of this Division.

(l) If a *hospitality employer* ceases its business operations, sells, exchanges, or otherwise disposes of the *hospitality employer's* business, then any *person* who becomes a successor in interest to the *hospitality employer* shall be liable for any unpaid wages, damages, or penalties as defined in the Notice of Satisfaction and Administrative Enforcement Order issued by the *Enforcement Office* or a final judgment of a court of competent jurisdiction, with a finding of a violation, if, at the time of the conveyance of the *hospitality employer*, the successor in interest has actual or constructive knowledge of the fact and amount of the Notice and Order or final judgment.

§312.0110 Enforcement Office

(a) Any *employee* claiming a violation of this Division may file a complaint with the *Enforcement Office* as described in San Diego Municipal Code section 39.0113(c).

(b) The *Enforcement Office* shall have full authority to implement and enforce this Division, consistent with the authority and powers set forth in Chapter 1, Article 2, Division 1 of the San Diego Municipal Code, and San Diego Municipal Code section 39.0113.

(c) *Hospitality employers* are entitled to the rights and subject to the obligations described in San Diego Municipal Code section 39.0113.

(d) The *Enforcement Office* can initiate compliance reviews and investigations of any *hospitality employer* subject to this Division regarding *minimum wage* payments, overtime payments based on the *minimum wage*, and the recordkeeping, notice, and posting requirements of this Division.

§312.0111 Exemption for Collective Bargaining Agreements

Hospitality employers and *employees* may jointly waive the *minimum wage* requirements described in this Division by clear and unambiguous terms in a bona fide collective bargaining agreement under the National Labor Relations Act or applicable successor legislation. However, a *hospitality employer* may not rely on unilaterally imposed wages that are less than or otherwise inconsistent with the *minimum wage* as an exemption to the requirements of this Division. To rely on the exemption, a *hospitality employer* shall provide the *Enforcement Office*, upon request, with a complete and unredacted copy of the applicable collective bargaining agreement.

§312.0112 Compliance with Other Laws

(a) All provisions in this Division are intended to be consistent with all applicable federal and state laws.

(b) This Division shall not be construed to discourage or prohibit a *hospitality employer* from providing higher wages to its *employees* than specified in this Division.

(c) This Division is not intended to, and shall not be interpreted to, modify any obligation a *hospitality employer* has to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing higher wages to an *employee* than specified in this Division.

(d) This Division is not intended to, and shall not be interpreted to, require or coerce a *hospitality employer* to enter into a collective bargaining agreement establishing the substantive terms and conditions of employment, including wages.

(e) This Division is not intended to, and shall not be interpreted to, enact or express any generally applicable policy regarding labor-management relations or to regulate those relations in any way.

(f) To the extent a *hospitality employer* is also subject to a minimum wage set forth in another section of the San Diego Municipal Code or federal or state law, the *hospitality employer* shall comply with the higher of the minimum wage requirements.

Section 2. The Council dispenses with a full reading of this Ordinance before its passage because a written copy of this Ordinance was made available to the Council and the public before the date of its passage.

Section 3. This Ordinance will take effect and be in force on July 1, 2026, or the thirtieth day from and after its final passage, whichever is later.

APPROVED: HEATHER FERBERT, City Attorney

By _____
Elena S. Min
Deputy City Attorney

ESM:jvg
April 3, 2025
September 17, 2025 REV.
Or.Dept: Council District 9
Doc. No. 4187604_2

I certify that the Council of the City of San Diego adopted this Ordinance at a meeting held on SEP 30 2025.

DIANA J.S. FUENTES
City Clerk

By _____
Deputy City Clerk

Approved: 10/3/25 _____
(date)

_____
TODD GLORIA, Mayor

Vetoed: _____
(date)

_____
TODD GLORIA, Mayor

(Note: The date of final passage is October 8, 2025, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.)

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 3 OF THE SAN DIEGO MUNICIPAL CODE BY ADDING NEW ARTICLE 12, DIVISION 1, SECTIONS 312.0101, 312.0102, 312.0103, 312.0104, 312.0105, 312.0106, 312.0107, 312.0108, 312.0109, 312.0110, 312.0111, AND 312.0112 RELATING TO THE MINIMUM WAGE FOR HOSPITALITY EMPLOYEES.

Article 12: City of San Diego Hospitality Minimum Wage

Division 1: City of San Diego Hospitality Minimum Wage Ordinance

§312.0101 Purpose and Intent

The purpose and intent of this Division is to ensure that *employees* who work in the hospitality industry within the *City*, specifically at *hotels, event centers,* and *amusement parks,* receive a wage that allows *employees* to better provide for themselves and their families. The *City* has an interest in ensuring that the hospitality workforce is stable and productive because the *City* relies on revenue the hospitality industry generates, including from sales tax and transient occupancy tax, to fund critical *City* services and programs. The *City* also has an interest in promoting an employment environment that protects government resources, increases consumer income, decreases poverty, and stimulates local businesses.

§312.0102 Citation

This Division shall be cited as the City of San Diego Hospitality Minimum Wage Ordinance.

§312.0103 Authority

This Division is adopted pursuant to the powers vested in the *City* under the Constitution and the laws of the State of California, including the *City's* police powers under article XI, sections 5 and 7 of the California Constitution and California Labor Code section 1205(b).

§312.0104 Definitions

For purposes of this Division, defined terms appear in italics. To the extent that a federal, state, or other law is referenced within this Division, the citation includes and incorporates the law as it may be amended or renumbered in the future. The following definitions apply in this Division:

Amusement park means a facility operated for profit that is:

(a) located within the territorial boundaries of the *City* and comprised of at least 75 contiguous acres;

(b) open to the public for the purpose of entertainment or amusement and contains permanent amusement rides; and

(c) operated pursuant to a lease, operating agreement, or other contractual agreement with the *City*.

Amusement park includes all restaurants, bars, event spaces, retail shops, parking facilities, and all other facilities located on the grounds of an *amusement park*. *Amusement park* does not include temporary or seasonal fairs, carnivals, festivals, or similar short-term events that are operated for fewer than 30 days in a calendar year.

City means the City of San Diego.

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(a) performs at least two hours of work within the territorial boundaries of the *City* for a *hospitality employer* in one or more calendar weeks of the year;

(b) performs work that is directly related to the *hospitality employer's hotel, event center,* or *amusement park;*

(c) qualifies as an employee entitled to payment of a minimum wage from any employer under the California Labor Code and wage orders published by the California Industrial Welfare Commission or the California Division of Labor Standards Enforcement; and

(d) is not employed as an independent contractor as defined under the California Labor Code. For purposes of this Division, there is a rebuttable presumption that a worker is an *employee* and not an independent contractor. A *hospitality employer* may rebut this presumption by demonstrating a worker satisfies all conditions described in California Labor Code section 2775 to be an independent contractor.

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Enforcement Official has the same meaning as in San Diego Municipal Code section 11.0210.

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(a) Petco Park;

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(d) Civic Theatre.

Event center includes all restaurants, bars, retail shops, parking facilities, and other facilities located on the grounds of an *event center*. *Event center* also includes any new or different structure constructed or operated on the grounds of an *event center* and used for the same purpose as an *event center*, regardless of the name of the *event center*.

Hospitality employer means any *person* who owns, operates, or manages:

(a) a *hotel*, *event center*, or *amusement park*;

(b) any contracted, leased, or sublet premises or facility on the grounds of a *hotel*, *event center*, or *amusement park* and which is directly related to the operations of the *hotel*, *event center*, or *amusement park* for at least 30 days in a calendar year; or

(c) any contracted housekeeping, janitorial, security, parking, valet parking, food preparation, ushering, ticket-taking, concession, retail store, massage or spa, restaurant, bar, or landscaping services that are provided on the grounds of a *hotel*, *event center*, or *amusement park*.

Hospitality employer does not include any governmental entity.

Hotel means a privately-owned facility:

(a) designated or used for lodging or other related services for the public located within the territorial boundaries of the *City*; and

(b) containing at least 150 guest rooms or suites that *persons* may rent for periods of 30 days or fewer.

Hotel does not include a facility, or portion thereof, used for short-term residential occupancy and regulated under Chapter 5, Article 10, Division 1 of the San Diego Municipal Code. *Hotel* includes all restaurants, bars, banquet halls, event spaces,

retail shops, parking facilities, spas, and other facilities located on the grounds of a *hotel.*

Minimum wage means an hourly minimum wage rate, as defined in San Diego Municipal Code section 312.0105, to be paid to *employees.*

Person has the same meaning as in San Diego Municipal Code section 11.0210.

Retaliation means any threat, intimidation, harassment, discipline, discharge, demotion, suspension, reduction in *employee* hours, or any other adverse employment action against any *employee* for exercising or attempting to exercise any right under this Division.

§312.0105 Minimum Wage

(a) *Hospitality employers* shall pay *employees* no less than the *minimum wage* for all hours worked within the territorial boundaries of the *City. Hospitality employers* must pay all wages owed *employees* under section 312.0105, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation, in a manner and frequency consistent with the California Labor Code and wage orders published by the California Industrial Welfare Commission or the California Division of Labor Standards Enforcement.

(b) The *minimum wage* for *hospitality employers* at *hotels* and *amusement parks*:

(1) is $19.00 per hour;

(2) is $20.50 per hour beginning July 1, 2027;

(3) is $22.00 per hour beginning July 1, 2028;

(4) is $23.50 per hour beginning July 1, 2029;

(5) is $25.00 per hour beginning July 1, 2030; and

(6) increases by an amount corresponding to the prior year's increase, if any, in the cost of living, beginning July 1, 2031, and each year thereafter.

(c) The *minimum wage* for *hospitality employers* at *event centers*:

(1) is $21.06 per hour;

(2) is $22.00 per hour beginning July 1, 2027;

(3) is $23.00 per hour beginning July 1, 2028;

(4) is $24.00 per hour beginning July 1, 2029;

(5) is $25.00 per hour beginning July 1, 2030; and

(6) increases by an amount corresponding to the prior year's increase, if any, in the cost of living, beginning July 1, 2031, and each year thereafter.

(d) For purposes of calculating the *minimum wage* described in section 312.0105(b)(6) and (c)(6), the prior year's increase in the cost of living is measured by the percentage increase, if any, as of December of the immediately preceding year over the level as of December of the previous year of the Consumer Price Index (Urban Wage Earners and Clerical Workers, U.S. City Average for All Items), or its successor index, as published by the United States Department of Labor, or its successor agency, with the amount of the *minimum wage* increase rounded up to the nearest multiple of five cents. The *City* shall announce the adjusted *minimum wage* by April 1 of each year that will become effective as the new *minimum wage* on July 1 of that year. The adjusted *minimum wage* shall be noticed and posted as set forth in this Division.

(e) If the federal, state, or *City* minimum wage is increased above the *minimum wage*, the *minimum wage* shall be increased to match the higher federal minimum wage, state minimum wage, or *City* minimum wage described in San Diego Municipal Code section 39.0107. The increased *minimum wage* shall be effective on the same date as the increase in the federal, state, or *City* minimum wage takes effect.

(f) A *hospitality employer* that meets the requirements to claim a credit against the state minimum wage under the California Labor Code or wage orders published by the California Industrial Welfare Commission or the California Division of Labor Standards Enforcement for meals or lodging provided to *employees* may claim a credit in the same amount against the *minimum wage*.

(g) A *hospitality employer* shall not:

(1) fail to pay the *minimum wage* owed to an *employee*;

(2) fail to pay all overtime wages owed to an *employee* based on the *minimum wage*;

(3) make an unlawful deduction from the *minimum wage* that reduces an *employee's* wage below the *minimum wage*; or

(4) intentionally or knowingly misclassify an *employee* as an independent contractor to avoid paying the *minimum wage*.

§312.0106 Notice and Posting

(a) The *City* shall publish the following bulletins and notices regarding the *minimum wage*:

(1) a bulletin announcing the *minimum wage* for the upcoming year;

(2) a notice for *hospitality employers* to post in compliance with section 312.0106(d); and

(3) a template notice suitable for use by *hospitality employers* to comply with section 312.0106(e).

(b) The *City* shall publish the bulletins and notices described in section 312.0106(a) for the upcoming year by:

(1) April 1, 2026, with 2026 information; and

(2) April 1 of each year after 2026, with information for that year.

(c) The *City* shall make the notices described in section 312.0106(a)(2) and (3) available to *hospitality employers* in English, Spanish, and any other language for which the San Diego County Registrar of Voters provides translated ballot materials under section 203 of the federal Voting Rights Act or California Elections Code section 14201.

(d) *Hospitality employers* shall post the notice described in section 312.0106(a)(2) in a conspicuous place at any workplace or job site where an *employee* works. The notice shall be posted in English and in any other language the *City* makes the notice available if it is spoken by at least five percent of the *employees* at the *employee's* workplace or job site. The notice described in section 312.0106(a)(2) may be provided electronically to *employees* in addition to posting the notice.

(e) *Hospitality employers* shall provide written notice to each *employee* on the effective date of this Ordinance, and to new *employees* at the time of hire, of the *hospitality employer's* legal name and any fictitious business names, address, telephone number, and the *hospitality employer's* requirements under this Division. The written notice shall be provided to each *employee*

in English and also in the *employee's* primary language, if the *City* provides a template notice in the *employee's* primary language and the language is spoken by at least five percent of the *employees* at the *hospitality employer's* workplace or job site. The notice may be provided through an accessible electronic communication in lieu of a paper notice.

§312.0107 Employer Records

(a) *Hospitality employers* shall create contemporaneous written or electronic records documenting each *employee's* dates and hours worked and wages paid. *Hospitality employers* shall provide these records to *employees* on a regular basis in a manner that complies with California Labor Code section 226 and shall retain these records for at least three years.

(b) *Hospitality employers* shall allow the *Enforcement Official* reasonable access to these records in furtherance of a compliance review or investigation conducted under San Diego Municipal Code section 312.0110(d).

(c) A *hospitality employer's* failure to create and retain contemporaneous written or electronic records documenting each *employee's* dates and hours worked and wages paid, or to provide such records to an *Enforcement Official*, upon request, creates a rebuttable presumption that the *hospitality employer* has violated the recordkeeping requirements in section 312.0107(a). If a *hospitality employer* is unable to provide the records described in section 312.0107(a), the *Enforcement Official* may rely on an *employee's* reasonable estimate or other evidence regarding the dates and hours worked and wages owed.

§312.0108 Retaliation Prohibited

(a) *Hospitality employers* shall not engage in *retaliation* against an *employee.* Any *employee* who reasonably and in good faith reports a violation of this Division to their *hospitality employer* or a governmental agency tasked with overseeing the enforcement of any wage and hour law applicable to the *hospitality employer* shall be entitled to the protections against *retaliation* described in section 312.0108.

(b) A *hospitality employer* is prohibited from engaging in *retaliation* against an *employee* who reasonably and in good faith:

(1) requests payment of the *minimum wage*;

(2) files a complaint for an alleged violation of this Division with the *Enforcement Office*, any other governmental wage and hour enforcement agency, or in a court of competent jurisdiction;

(3) communicates with any *person* about any violation or alleged violation of this Division;

(4) participates in any investigation or administrative or judicial action regarding an alleged violation of this Division;

(5) informs any *person* of their potential rights under this Division; or

(6) takes any other lawful action to enforce this Division.

(c) There is a rebuttable presumption that a *hospitality employer* has engaged in *retaliation* against an *employee* if the *hospitality employer* takes an adverse employment action against the *employee* within 90 calendar days of the *employee's* exercise of any right provided by this Division.

§312.0109 Remedies

(a) Any *person* claiming a violation of this Division, including an *employee* or the *City*, may bring a cause of action against a *hospitality employer* in a court of competent jurisdiction to enforce this Division, without exhausting the administrative relief set forth in this Division. Submitting a complaint to the *Enforcement Office* is neither a prerequisite nor a bar to bringing a civil action in a court of competent jurisdiction.

(b) Any *person* claiming a violation of this Division, including an *employee* or the *City*, is entitled to all legal and equitable relief to remedy any violation of this Division, including:

(1) payment of back wages for unpaid *minimum wage* or unpaid overtime wages based on the *minimum wage*, to an aggrieved *employee*;

(2) reinstatement of employment or other injunctive relief;

(3) reasonable attorneys' fees and costs to any plaintiff who prevails in an action to enforce this Division; and

(4) payment of liquidated damages to an *employee* equal to double back wages owed.

(c) Any *hospitality employer* that engages in *retaliation* against an *employee* is subject to liquidated damages that are the greater of double back wages or $1,000 for each violation not resulting in termination of employment, or the greater of double back wages or $3,000 when an *employee* is terminated from employment for exercising any right provided under this Division. Violations of this Division are declared to irreparably harm the public and *employees* generally.

(d) Any *hospitality employer* that violates any requirement of this Division is subject to a civil penalty, assessed and payable to the *City*, of no less than $500, but no more than $1,000 per violation, except as otherwise provided in section 312.0109. Each day that a *hospitality employer* fails to pay an *employee* the *minimum wage* constitutes a separate and distinct violation.

(e) Any *hospitality employer* that fails to comply with the notice and posting requirements in San Diego Municipal Code section 312.0106 is subject to a civil penalty, assessed and payable to the *City*, of $500 for each failure to post the required notices at the workplace or job site and for each *employee* who is not given the required notice pursuant to section 312.0106, up to a maximum of $2,000.

(f) Any *hospitality employer* that engages in *retaliation* against an *employee* is subject to a civil penalty, assessed and payable to the *City*, of no less than $1,000, but no more than $3,000 per violation.

(g) A *hospitality employer* that fails to cooperate with or respond to the *Enforcement Office's* compliance review or investigation pursuant to San Diego Municipal Code section 312.0110(d) within the time specified by the *Enforcement Official*, including a *hospitality employer*'s failure to provide requested information or documentation, is subject to a civil penalty of $1,000, assessed and payable to the *City*, for each instance the *hospitality employer* fails to cooperate or comply.

(h) The cumulative civil penalties that may be assessed against a *hospitality employer* that has not previously violated any provision of this Division are limited to $10,000. The minimum and maximum civil penalties that may be assessed under section 312.0109 shall be increased cumulatively by

50 percent for each subsequent violation of the same section in this Division by the same *hospitality employer* within a three-year period. If civil penalties and costs are the subject of administrative appeal or judicial review, then the accrual of penalties and other costs is stayed until the determination of the appeal or review is final.

(i) A *hospitality employer* is deemed to have violated this Division upon the issuance of:

(1) a Notice of Satisfaction;

(2) an Administrative Enforcement Order; or

(3) a final judgment of a court of competent jurisdiction, with a finding of a violation.

(j) Violations of this Division may not be prosecuted as a misdemeanor or infraction.

(k) This Division does not create any right of action or cause of action for damages against the *City* in its enforcement of this Division.

(l) If a *hospitality employer* ceases its business operations, sells, exchanges, or otherwise disposes of the *hospitality employer's* business, then any *person* who becomes a successor in interest to the *hospitality employer* shall be liable for any unpaid wages, damages, or penalties as defined in the Notice of Satisfaction and Administrative Enforcement Order issued by the *Enforcement Office* or a final judgment of a court of competent jurisdiction, with a finding of a violation, if, at the time of the conveyance of the *hospitality employer*, the successor in interest has actual or constructive knowledge of the fact and amount of the Notice and Order or final judgment.

§312.0110 Enforcement Office

(a) Any *employee* claiming a violation of this Division may file a complaint with the *Enforcement Office* as described in San Diego Municipal Code section 39.0113(c).

(b) The *Enforcement Office* shall have full authority to implement and enforce this Division, consistent with the authority and powers set forth in Chapter 1, Article 2, Division 1 of the San Diego Municipal Code, and San Diego Municipal Code section 39.0113.

(c) *Hospitality employers* are entitled to the rights and subject to the obligations described in San Diego Municipal Code section 39.0113.

(d) The *Enforcement Office* can initiate compliance reviews and investigations of any *hospitality employer* subject to this Division regarding *minimum wage* payments, overtime payments based on the *minimum wage*, and the recordkeeping, notice, and posting requirements of this Division.

§312.0111 Exemption for Collective Bargaining Agreements

Hospitality employers and *employees* may jointly waive the *minimum wage* requirements described in this Division by clear and unambiguous terms in a bona fide collective bargaining agreement under the National Labor Relations Act or applicable successor legislation. However, a *hospitality employer* may not rely on unilaterally imposed wages that are less than or otherwise inconsistent with the *minimum wage* as an exemption to the requirements of this Division. To rely on the exemption, a *hospitality employer* shall provide the *Enforcement Office*, upon request, with a complete and unredacted copy of the applicable collective bargaining agreement.

§312.0112 Compliance with Other Laws

(a) All provisions in this Division are intended to be consistent with all applicable federal and state laws.

(b) This Division shall not be construed to discourage or prohibit a *hospitality employer* from providing higher wages to its *employees* than specified in this Division.

(c) This Division is not intended to, and shall not be interpreted to, modify any obligation a *hospitality employer* has to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing higher wages to an *employee* than specified in this Division.

(d) This Division is not intended to, and shall not be interpreted to, require or coerce a *hospitality employer* to enter into a collective bargaining agreement establishing the substantive terms and conditions of employment, including wages.

(e) This Division is not intended to, and shall not be interpreted to, enact or express any generally applicable policy regarding labor-management relations or to regulate those relations in any way.

(f) To the extent a *hospitality employer* is also subject to a minimum wage set forth in another section of the San Diego Municipal Code or federal or state law, the *hospitality employer* shall comply with the higher of the minimum wage requirements.

ESM:jvg
April 3, 2025
September 17, 2025 REV.
Or.Dept: Council District 9
Doc. No. 4187738_2

Passed by the Council of The City of San Diego on SEP 30 2025, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☒	☐	☐	☐
Marni von Wilpert	☐	☐	☒	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☐	☐	☒	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage OCT 08 2025.

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

(Seal)

By _____, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

SEP 16 2025, and on OCT 08 2025.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

(Seal)

By _____, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O-_____