

File No. 250660

Committee Item No. _____

Board Item No. 40

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: June 17, 2025

Cmte Board

- | | | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|--------------------------|-------------------------------------|-------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Senate Bill 346 2/12/25 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | CSAC Standing 6/10/25 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | LCC Standing 3/20/25 |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
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| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: Lisa Lew

Date: June 13, 2025

Prepared by: _____

Date: _____

1 [Supporting California State Senate Bill No. 346 (Durazo) - Transient Occupancy Tax
2 Compliance and Short-Term Rentals]

3 **Resolution supporting California State Senate Bill No. 346, authored by Senator**
4 **Maria Elena Durazo, which aims to enhance compliance with local transient occupancy**
5 **tax collection and enforcement against illegal short-term rentals.**

6
7 WHEREAS, The rise of online short-term rental platforms has significantly impacted
8 communities and local governments throughout California; and

9 WHEREAS, Transient Occupancy Taxes are vital sources of revenue for local
10 governments, funding essential public services; and

11 WHEREAS, Current voluntary collection agreements between local governments and
12 short-term rental platforms often limit local authorities' ability to audit Transient Occupancy
13 Tax collections, resulting in potential revenue loss and compliance issues; and

14 WHEREAS, San Francisco is unique in California in requiring detailed reporting from
15 short-term rental platforms, thus ensuring accurate and accountable tax collection; and

16 WHEREAS, Senate Bill No. 346, mandates that short-term rental platforms provide
17 Assessor Parcel Numbers, physical address, and URL associated with the host property
18 listing upon request; and

19 WHEREAS, Senate Bill No. 346, grants local governments the authority to audit
20 Transient Occupancy Tax collections or otherwise examine the records of the short-term
21 rental platform documenting the receipt of the Transient Occupancy Tax due and payable to
22 the local agency fully; and

23 WHEREAS, Senate Bill No. 346, will standardize and strengthen statewide regulations,
24 aiding local enforcement efforts and ensuring fair tax compliance; and
25

AMENDED IN SENATE MAY 08, 2025
AMENDED IN SENATE MARCH 20, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL

NO. 346

**Introduced by Senator Durazo
(Coauthor: Senator Allen)**

February 12, 2025

An act to add Chapter 6.4 (commencing with Section 51043) to Part 1 of Division 1 of Title 5 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 346, as amended, Durazo. Local agencies: transient occupancy taxes: short-term rental facilitator.

Existing law authorizes a local authority, by ordinance or resolution, to regulate the occupancy of a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging for a period of less than 30 days.

This bill would authorize a local agency, defined to mean a city, county, or city and county, to enact an ordinance to require a short-term rental facilitator, as defined, to report, in the form and manner prescribed by the local agency, the ~~assessor parcel number~~ *physical address, including 9-digit ZIP Code*, of each short-term rental, as defined, during the reporting period, as well as any additional information necessary to identify the property as may be required by the local agency. The bill would authorize the local agency to impose an administrative fine or penalty for failure to file the report, and would authorize the local agency to initiate an audit of a short-term rental facilitator, as described. The bill would require a short-term rental facilitator, in a jurisdiction that has adopted an ordinance, to include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency. The bill would state these provisions do not preempt

a local agency from adopting an ordinance that regulates short-term rentals, short-term rental facilitators, or the payment and collection of transient occupancy taxes in a manner that differs from those described in the bill.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) Short-term rental facilitators are essentially online marketplaces that allow “guests” seeking accommodations and “hosts” offering accommodations to connect and enter rental agreements with one another.

(b) Many cities and counties impose a transient occupancy tax on guests who occupy those accommodations. The transient occupancy tax is payable with the host’s charge for the accommodation.

(c) It is the intent of the Legislature to authorize cities and counties to adopt an ordinance that requires a short-term rental facilitator to transmit information that allows cities and counties to effectively enforce the payment of transient occupancy taxes by guests in these accommodations.

(d) As determined by the Ninth Circuit Court of Appeals in *HomeAway.com, Inc. v. City of Santa Monica* (9th Cir. 2019) 918 F.3d 676, requiring the transmittal of this information violates neither the federal Communications Decency Act nor the First Amendment.

SEC. 2. Chapter 6.4 (commencing with Section 51043) is added to Part 1 of Division 1 of Title 5 of the Government Code, to read:

CHAPTER 6.4. The Short-Term Rental Facilitator Act of 2025

51043. (a) This chapter shall be known, and may be cited, as the “Short-Term Rental Facilitator Act of 2025.”

(b) This chapter shall only apply to a local agency that adopts an ordinance that makes the provisions of this chapter applicable within its jurisdictional boundaries.

51044. All of the following definitions shall apply for purposes of this chapter:

(a) “Hotel” means a commercially operated hotel, motel, bed and breakfast inn, or similar transient lodging establishment, when all or part of the transient occupancy is or would be subject to tax under Section 7280 of the Revenue and Taxation Code. For purposes of this chapter, a “hotel” shall not include a short-term rental facilitator as defined in subdivision (g).

(b) “Local agency” means a city, county, or city and county.

(c) “Marketplace” means a physical or electronic place, including, but not limited to, a store, booth, internet website, catalog, television or radio broadcast, or a dedicated sales software application, where a marketplace seller facilitates the occupancy of a short-term rental for delivery in this state regardless of whether the short-term rental, marketplace seller, or marketplace has a physical presence in this state.

(d) “Ordinance” refers to an ordinance of a local agency imposing a transient occupancy tax.

(e) “Purchaser” means a person who is required to pay the transient occupancy tax and who uses a short-term rental facilitator to facilitate the occupation of a short-term rental within the jurisdiction of the local agency imposing the transient occupancy tax.

(f) “Short-term rental” means the occupancy of a home, house, a room in a home or house, or other lodging that is not a hotel in this state for a period of 30 consecutive days or less and under any other circumstances specified by the local agency in its ordinance that is facilitated by a short-term rental facilitator.

(g) “Short-term rental facilitator” means a person or entity that facilitates for consideration, regardless of whether it is deducted as fees from the transaction, the occupancy of a short-term rental that is not owned by the person facilitating the rental, through a marketplace operated by the person or a related person or entity, and that does both of the following:

(1) Directly or indirectly, through one or more related persons, engages in any of the following:

(A) Transmits or otherwise communicates the offer or acceptance between the purchaser and the operator.

(B) Owns or operates the infrastructure, electronic or physical, or technology that brings purchasers and operators together.

(C) Provides a virtual currency that purchasers are allowed or required to use to facilitate the occupancy of a short-term rental from the operator.

(D) Software development or research and development activities related to any of the activities described in paragraph (2), if such activities are directly related to facilitating short-term rentals.

(2) Directly or indirectly, through one or more related persons, engages in any of the following activities with respect to facilitating short-term rentals:

(A) Payment processing services.

(B) Listing homes, houses, or rooms in homes or houses, or other lodgings that are not a hotel or motel, and that are not owned by that person or a related person, for rental on a short-term basis.

(C) Setting prices.

(D) Branding short-term rentals as those of the short-term rental facilitator.

(E) Taking orders or reservations.

(h) “Transient Occupancy Tax” means a tax imposed by a local agency on the privilege of occupying a short-term rental as specified and defined by the local agency in its ordinance.

51045. For purposes of this chapter, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code, as that section was amended by Public Law 114-113, and the regulations thereunder.

51046. (a) Upon request by the local agency, each short-term rental facilitator shall report, in the form and manner prescribed by the local agency, the ~~assessor parcel number~~ *physical address, including nine-digit ZIP Code*, of each short-term rental during the reporting period, as well as any additional information necessary to identify the property required by the local agency, including, but not limited to:

(1) ~~The physical address of the host property.~~ *The assessor parcel number of the host property.*

(2) *The URL associated with the specific host property listing.*

~~(2)The following information associated with the physical address of the host property:~~

~~(A)Marketplace identification number.~~

~~(B)Website address.~~

~~(C)Listing identification number.~~

~~(D)Property type.~~

(b) A local agency may make the failure of a short-term rental facilitator to report the information required by this section subject to an administrative fine or penalty pursuant to Section 53069.4.

(c) (1) A local agency may conduct an audit or otherwise examine the records of the short-term rental facilitator documenting the receipt of the transient occupancy tax due and payable to the local agency.

(2) Any costs associated with an audit or examination shall be paid for by the local agency.

51047. A short-term rental facilitator shall include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency.

51048. Nothing in this chapter shall be construed to preempt a local agency from adopting an ordinance that regulates short-term rentals, short-term rental facilitators, or the payment and collection of transient occupancy taxes in a manner different from the procedures prescribed in this chapter.



**2025-2026
Legislative
Session
As of Tuesday,
June 10, 2025**

Measure	Title and Brief Summary	Lobbyist	CSAC Position	Subject
SB 346 (Durazo D)	<p>Local agencies: transient occupancy taxes: short-term rental facilitator.</p> <p>Existing law authorizes a local authority, by ordinance or resolution, to regulate the occupancy of a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging for a period of less than 30 days. This bill would authorize a local agency, defined to mean a city, county, or city and county, to enact an ordinance to require a short-term rental facilitator, as defined, to report, in the form and manner prescribed by the local agency, the physical address, including 9-digit ZIP Code, of each short-term rental, as defined, during the reporting period, as well as any additional information necessary to identify the property as may be required by the local agency. The bill would authorize the local agency to impose an administrative fine or penalty for failure to file the report, and would authorize the local agency to initiate an audit of a short-term rental facilitator, as described. The bill would require a short-term rental facilitator, in a jurisdiction that</p>	Emma Jungwirth	Support	Government Finance and Administration

Measure	Title and Brief Summary	Lobbyist	CSAC Position	Subject
	has adopted an ordinance, to include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency. The bill would state these provisions do not preempt a local agency from adopting an ordinance that regulates short-term rentals, short-term rental facilitators, or the payment and collection of transient occupancy taxes in a manner that differs from those described in the bill. (Based on 05/08/2025 text)			

Total Measures: 1

Total Tracking Forms: 1



March 20, 2025

The Honorable Thomas Umberg
Chair, Senate Judiciary Committee
1021 O St., Room 3240
Sacramento, CA 95814

RE: SB 346 (Durazo) Local agencies: transient occupancy taxes: short-term rental facilitator.
CO-SPONSOR AND SUPPORT (*As Amended on March 20, 2025*)

Dear Chair Umberg,

The League of California Cities (Cal Cities) is pleased to **co-sponsor** and **support** SB 346, which would better equip cities to enforce local ordinances related to short-term rentals, including the collection and remittance of transient occupancy taxes (TOT).

Short-term rentals are regulated exclusively at the local level via the adoption of an ordinance that often includes regulations on permitting, tax compliance, noise, parking, occupancy, as well as other responsibilities for hosts and short-term rental facilitators. In some instances, ordinances limit the number of short-term rentals allowed to operate lawfully, other ordinances ban short-term rentals entirely.

Short-term rentals can present numerous challenges to neighborhoods and adjacent property owners. They may create additional noise, traffic, parking, and public safety issues, decrease available housing stock, and in some cases turn residential neighborhoods into de-facto hotel rows, collectively creating additional demands on local public service providers.

Unfortunately, the enforcement of TOT ordinances and the collection and remittance of these taxes from short-term rentals can be inconsistent, even when voluntary collection agreements are in place with a short-term rental facilitator. Cities lack access to property addresses or other property-related information, even under these agreements, resulting in a difficult choice to either accept tax payments without any way to verify their accuracy and legality or attempt to collect taxes directly from property owners—a costly and time-consuming process. Meanwhile, short-term rental facilitators have full knowledge of these properties' locations and resist disclosing this information. Cities can only compel short-term rental facilitators to disclose this critical information through certain legal action, such as subpoenas. This is **not** how oversight of public dollars should work.

SB 346 would address the above issues by providing cities with the assessor parcel number of each short-term rental listed on the facilitator's website and full audit authority of TOT dollars. These changes would ensure the correct amount of TOT is being



collected and remitted and would allow for more efficient enforcement against unlicensed units.

If you have any questions, do not hesitate to contact me at btriffo@calcities.org.

Sincerely,

A handwritten signature in blue ink, appearing to be "B. Triffo", with a long horizontal stroke extending to the right.

Ben Triffo
Legislative Advocate

cc: The Honorable María Elena Durazo
Members, Senate Judiciary Committee
Christian Kurpiewski, Deputy Chief Counsel, Senate Judiciary Committee
Morgan Branch, Policy Consultant, Republican Caucus

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☒ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor _____ inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. _____ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. _____
- ☐ 9. Reactivate File No. _____
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Chan

Subject:

Supporting California State Senate Bill No. 346 (Durazo) – Transient Occupancy Tax Compliance and Short-Term Rentals

Long Title or text listed:

Resolution supporting California State Senate Bill No. 346, authored by Senator Maria Elena Durazo, which aims to enhance compliance with local transient occupancy tax collection and enforcement against illegal short-term rentals.

Signature of Sponsoring Supervisor:

