

Date of Hearing: July 2, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 346 (Durazo) – As Amended June 24, 2025

**SENATE VOTE:** 38-0

**SUBJECT:** Local agencies: transient occupancy taxes: short-term rental facilitator.

**SUMMARY:** Enacts the “Short-Term Rental Facilitator Act of 2025”, which permits cities and counties to enact ordinances that require short-term rental facilitators to provide specified information on short-term rentals. Specifically, **this bill:**

- 1) Enacts the “Short-Term Rental Facilitator Act of 2025”.
- 2) Specifies that this bill shall only apply to a local agency that adopts an ordinance that makes the provisions of this bill applicable within its jurisdictional boundaries.
- 3) Defines the following terms:
  - a) “Hotel” to mean 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 a transient occupancy tax (TOT). For purposes of this bill, a “hotel” shall not include a short-term rental facilitator.
  - b) “Local agency” to mean a city, county, or city and county.
  - c) “Marketplace” to mean 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 TOT.
  - e) “Purchaser” to mean a person who is required to pay the TOT 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 TOT.
  - f) “Short-term rental” to mean the occupancy of a home, house, a room in a home or house, a campsite, 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” to mean 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:

- i) Directly or indirectly, through one or more related persons, engages in any of the following:
    - (1) Transmits or otherwise communicates the offer or acceptance between the purchaser and the operator.
    - (2) Owns and operates the infrastructure, electronic or physical, or technology that brings purchasers and operators together.
    - (3) Provides a virtual currency that purchasers are allowed or required to use to facilitate the occupancy of a short-term rental from the operator.
    - (4) Software development or research and development activities related to any of the activities described in ii), below, if such activities are directly related to facilitating short-term rentals.
  - ii) Directly or indirectly, through one or more related persons, engages in any of the following activities with respect to facilitating short-term rentals:
    - (1) Payment processing services.
    - (2) Listing homes, houses, or rooms in homes or houses, campsites, 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.
    - (3) Setting prices.
    - (4) Branding short-term rentals as those of the short-term rental facilitator.
    - (5) Taking orders or reservations.
  - h) “TOT” to mean 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.
- 4) Provides that for the purposes of this bill, a person is related to another person if both persons are related to each other pursuant to specified federal law.
  - 5) Specifies that upon request by the local agency, each short-term rental facilitator shall report, in the form and manner prescribed by the local agency, the 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:
    - a) The assessor parcel number of each short-term rental.
    - b) The URL associated with the specific short-term rental listing.
  - 6) Provides that a local agency may make the failure of a short-term rental facilitator to report the information required by this bill subject to an administrative fine or penalty pursuant to existing law.

- 7) Authorizes a local agency to conduct an audit or otherwise examine the records of the short-term rental facilitator documenting the receipt of the TOT due and payable to the local agency.
- 8) Specifies that any costs associated with an audit or examination shall be paid for by the local agency.
- 9) Requires a short-term rental facilitator to include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any TOT certification by a local agency.
- 10) Specifies that nothing in this bill 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 TOTs in manner different from the procedures prescribed in this bill.
- 11) Contains findings and intent language to support its purposes.

**FISCAL EFFECT:** None.

**COMMENTS:**

- 1) **Bill Summary.** This bill enacts the “Short-Term Rental Facilitator Act of 2025”, which permits cities and counties to enact ordinances that require short-term rental facilitators to provide specified information on short-term rentals. If an ordinance is adopted, this bill requires, upon request by the local agency, each short-term rental facilitator to report the physical address 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, the assessor parcel number of the host property, and the URL associated with the specific host property listing.

This bill also allows a local agency to make a failure of a short-term rental facilitator to report the required information subject to an administrative fine or penalty, and allows a local agency to conduct an audit of the short-term rental facilitator documenting the receipt of the TOT due and payable to the local agency. Any costs associated with an audit must be paid for by the local agency. Lastly, this bill requires a short-term rental facilitator to include in the listing of a short-term rental any applicable local license number associated with the rental and any TOT certification issued by a local agency.

The California Association of County Treasurers and Tax Collectors and the California League of Cities are the sponsors of this bill.

- 2) **Author’s Statement.** According to the author. “As the short-term rental industry has grown in California, many local governments have been forced into Voluntary Collection Agreements (VCAs) that restrict their access to key data, such as property addresses, and severely limit their audit authority. Without receiving this data from platforms, it is difficult for local governments to discern if a given short-term rental is operating lawfully (having already submitted their address to obtain a small business license with the local government, and paying taxes), or unlawfully.

“Right now, with anywhere from 25% to 70% of short-term rental properties operating unlicensed, two problems arise: 1) unclear tax collection practices, and 2) unlicensed operators in excess of local limits. This results in increased price and reduction in availability of long-term housing stock, exacerbating California’s housing crisis. It also results in local governments having to conduct full-on investigations with third-party companies to discover basic information (namely property addresses) that they should already have, having to spend taxpayer dollars in order to collect due tax dollars.

“SB 346 directly addresses these issues by:

- Requiring platforms, upon request, to share only two limited and reasonable data points: the physical location of a host property (including address and assessor parcel number) and a link to the online listing. This is significantly less than what is required in other jurisdictions like New York or Boston.
- Mandating that short-term rental listings display their local business license number and TOT certification.
- Authorizing local governments to conduct audits of TOT collections, ensuring accurate remittance and allowing verification of legally operating rentals.
- Preserving local control through an opt-in framework, so that only jurisdictions that choose to use these tools are affected.

“With California preparing to host large-scale events like the Olympics and the Super Bowl, now is the time to give local governments the tools they need to protect housing availability, neighborhood integrity, and public safety, while ensuring TOT is fully and fairly collected.”

- 3) **Ordinances.** The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power, commonly called the police power, that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public, including regulating business activity.

Current law allows counties and cities to establish ordinances, and makes violations of ordinances misdemeanors, unless the county or city makes them infractions. The violation of an ordinance may be prosecuted by county or city authorities in the name of the people of the State of California, or redressed by civil action. Current law outlines the following fine structure for ordinance violations, and for building and safety code violations, that are determined to be infractions:

<b>Number of violations within specified time periods</b>	<b>Amount of fine for ordinance violations that are infractions</b>	<b>Amount of fine for building and safety code violations that are infractions</b>
First violation	Fine does not exceed \$100	Fine does not exceed \$130
Second violation within one year of first violation	Fine does not exceed \$200	Fine does not exceed \$700
Third violation within	Fine does not exceed \$500	Fine does not exceed \$1,300

one year of first violation		
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For building and safety code violations that are infractions, the fine can be increased to \$2,500 for each additional violation of the same ordinance within two years of the first violation, if the property is a commercial property that has an existing building at the time of the violation and the violation is due to failure by the owner to remove visible refuse or failure to prohibit unauthorized use of the property.

The law also includes additional provisions for violations of event permits and short-term rental ordinances that are infractions. SB 60 (Glazer), Chapter 307, Statutes of 2021 established enhanced fines for violations of short-term rental ordinances that are determined to be infractions, as follows:

- a) A fine not exceeding \$1,500 for a first violation.
- b) A fine not exceeding \$3,000 for a second violation of the same ordinance within one year.
- c) A fine not exceeding \$5,000 for each additional violation of the same ordinance within one year of the first violation.

These fines apply only to infractions that pose a threat to public health and safety, and do not apply to a first time offense of failure to register or pay a business license fee. A county or city levying a fine on a short-term rental must establish a process for granting a hardship waiver to reduce the amount of the fine upon a showing by a responsible party that the responsible party has made a bona fide effort to comply after the first violation, and that payment of the full amount of the fine would impose an undue financial burden on the responsible party.

- 4) **Administrative Alternative.** As an alternative to the court process, a local agency can make any violation of any of its ordinances subject to an administrative fine or penalty. This provision was enacted in 1995 to relieve the courts of some of these cases and offer local governments a faster, easier, and less costly means of pursuing remedies for ordinance violations [SB 814 (Alquist), Chapter 898, Statutes of 1995].

In order to make an ordinance violation subject to an administrative fine or penalty, the local agency must adopt an ordinance specifying the administrative procedures that govern the imposition, enforcement, collection, and administrative review of the fines or penalties. A person may appeal such fines or penalties in superior court within 20 days after service of a final administrative order or decision. Local agencies must pursue a civil court proceeding to collect fines and penalties that are not secured via the administrative process.

Current law requires these administrative procedures to grant a person responsible for a continuing violation a reasonable time to remedy the violation before the local agency may impose fines or penalties when the violation pertains to building, plumbing, electrical, or other similar structural and zoning issues that do not create an immediate danger to health or safety. State law allows a person responsible for the violation to appeal the fine or penalty in

court. If the responsible person refuses to pay fines or penalties that are due, local agencies must go through a civil court proceeding to collect them.

- 5) **Transient Occupancy Taxes.** State law allows cities and counties to levy a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home, motel or other lodging unless the occupancy is for a period of more than 30 days. These taxes, commonly known as TOTs, are typically collected by lodging providers as an itemized charge based on a percentage of a customer's bill, who then remit proceeds to the local agency where the lodging was provided. According to the State Controller's Office, in the 2022-2023 fiscal year, at least 429 cities and 55 counties levied a TOT, mostly for general revenue purposes, at rates that can reach as high as 15.5%. TOTs generated approximately \$3.3 billion in revenue for local agencies in the 2022-23 fiscal year. The state does not currently impose its own TOT. According to the sponsors, local agencies can require, by ordinance, short-term rental facilitators to collect and remit TOTs to the local agency. Some jurisdictions have entered into voluntary collection agreements with the facilitator to collect the TOT on their behalf. However, in cases where the facilitator does not collect the TOT, the local agency would need to collect it directly from the host property.
- 6) **Short-Term Rentals.** California has seen a rise in the home sharing industry with companies such as Airbnb, Homeaway, and VRBO gaining popularity due to their short-term rental practice. Short-term rentals, also known as vacation-rentals, are usually an individual's residential property, such as a home, room, apartment, or condominium that is rented out to a visitor for fewer than 30 consecutive days. Generally, the home sharing industry involves three primary participants: (1) the home sharing platforms, such as Airbnb, that advertise residential property offered for temporary rental and facilitates connecting renters with hosts for a fee, (2) the consumer who is often referred to as the "renter," "guest," or "visitor" of the residential property, and (3) the supplier, owner, operator, or "host" of the residential property. Short-term rentals are not a new practice, but the development of online hosting platforms, bookings, advertisements, and payments has increased the level and popularity of short-term rentals usage.

The popularity of short-term rentals could be attributed to its tourist and economic benefits. Utilizing online home sharing platforms, like Airbnb, can provide homeowners an opportunity to earn additional income to offset the cost of maintaining their residential property. For travelers, online rental platforms provide an online streamlined approach to obtaining booking as opposed to traditional booking of motels or hotels. However, short-term rentals also present some local elected officials with a new set of challenges with short-term renters creating parking, trash, and safety concerns. As local agencies contend with the impacts from the growing popularity of short-term rentals, cities and counties have adopted ordinances to regulate or to prohibit short-term rentals.

A number of reports have been released in recent years indicate that, when short-term rentals accumulate in certain locales, it can have an impact on the housing market, potentially leading to higher rents and fewer long-term rentals available as well as reducing the overall supply of affordable housing and altering the character of certain neighborhoods. However, the studies are divided over how big of an impact there really is and note that this could be dependent upon local factors. According to an October 28, 2024 article published by CNN, "Over the past few years, Airbnb and Vrbo, two of the most well-known short-term home

rental platforms, have faced increasing restrictions and even outright bans from some local governments who say the platforms have worsened housing affordability.

“Yet economists are divided over how much impact Airbnb and other short-term rentals (generally defined as a rental unit offered for 30 days or less) truly have on America’s once-in-a-generation housing affordability crisis. It’s a complex problem, and one characterized by high prices for both rentals and sales, elevated mortgage rates and a historic undersupply of homes.”

- 7) **Short-Term Rental Ordinances.** Generally, many of the current short-term rental ordinances include regulations on permitting, tax compliance, noise, parking, and occupancy, as well as host and platform obligations and responsibilities. For instance, some ordinances require short-term rentals to limit the number of occupants per bedroom in the residential property. However, short-term rental ordinances’ regulations and requirements vary from jurisdiction to jurisdiction. Many other jurisdictions in California have implemented more modest regulations or simply assess TOTs.

Nonetheless, some California cities have implemented caps or even bans on short-term rentals to address this issue. The City of Irvine has banned short-term rentals. Last year, the Santa Ana City Council voted to ban short-term residential rentals “to preserve the character of neighborhoods, address the negative impacts caused by these unpermitted business operations, and to open up much-needed housing supplies.” The City website states, “The proliferation of online vacation rental platforms such as Airbnb.com and Vrbo.com has led to a spike in short-term rental activities in Santa Ana. However, these rentals, typically lasting less than 30 days, have been linked to a range of issues including trash and litter, excessive noise, parking problems, and neighborhood degradation. City staff identified over 1,100 active short-term rental units operating in Santa Ana, representing approximately 35% of the City’s new housing needs as determined by the State of California. By banning short-term rentals, the City aims to preserve housing stock for long-term rental or sale, thus addressing the ongoing housing crisis. The ordinance expressly prohibits the offering, rental, or maintenance of any short-term rental for less than 30 days.”

Local ordinances adopted by local agencies in California and nationwide in recent years have faced legal challenges from short term-rental facilitators. For instance, the Senate Judiciary Committee Analysis of this bill mentioned that, “It should be noted that one local ordinance in Santa Monica was challenged by short-term rental facilitators on a number of grounds. The ordinance at issue prohibited most types of short-term rentals and imposed four obligations on hosting platforms directly: (1) collecting and remitting TOT; (2) disclosing certain listing and booking information regularly; (3) refraining from completing any booking transaction for properties not licensed and listed on Santa Monica’s registry; and (4) refraining from collecting or receiving a fee for ‘facilitating or providing services ancillary to a vacation rental or unregistered home-share.’ The Ninth Circuit Court of Appeals found that the ordinance was not violative of Section 230 of the Communications Decency Act or the First Amendment to the United States Constitution.”

Additionally, according to a May 1, 2017 *New York Times* article, “Airbnb agreed on Monday to settle a lawsuit against the city of San Francisco, putting to rest litigation that could have hampered the company’s efforts to expand and go public.

“...Under the settlement between the city and the companies, Airbnb and other services like HomeAway will collect data from people who rent their homes out for less than a month on their sites. San Francisco will use that information to vet and register hosts. Companies like Airbnb will have to regularly provide the city with the data it needs to enforce local laws. The companies will also cancel reservations and deactivate listings if the city notifies them of an invalid registration.”

8) **Policy Considerations.** The Committee may wish to consider the following:

- a) **What Does this Bill Do?** Exercising their police power, cities and counties can adopt ordinances to regulate short-term rentals. Additionally cities and counties already have the authority to perform audits on those facilitators that collect TOTs to obtain tax information. However, the sponsors proclaim that that state law does not currently speak to facilitators being required to provide the location of properties to local tax and land use authorities, despite local tax and land use laws being entirely applicable to the short-term rental host. Due to this potential ambiguity in what a local ordinance may require, some ordinances have been challenged by the facilitators in court. Additionally, the sponsors state that, “Only through court action, such as a subpoena, could county tax collectors force short-term rental facilitators to provide this critical information.” This bill addresses the issue by authorizing local agencies to adopt ordinances that require short-term rental facilitators, such as Airbnb and VRBO, to transmit information allowing for cities and counties to effectively enforce and collect the payment of TOTs within their jurisdictions.

Nevertheless, the opponents argue that the bill’s requirements are redundant and unnecessarily complicate the existing regulatory framework at the local level and that they regularly work with local jurisdictions and suggest ways to draft ordinances that meet their needs. Expedia Group notes that this bill’s data reporting requirements and potential audits required of short-term rental facilitators would create substantial administrative burdens, particularly in jurisdictions where facilitators are not responsible for collecting and remitting the TOT.

Given the disparate views being provided on the requirements of this bill, the Committee may wish to consider if this bill sufficiently balances the need for cities and counties to access the information to successfully enforce their short-term rental ordinances and the burden it could place upon facilitators to comply with the new requirements.

- b) **How Much is Too Much?** This bill requires a short-term rental facilitator to report, upon request of a city or county, the physical address of each short-term rental, as well as any additional information necessary to identify the property required by the local agency, including, but not limited to, the assessor parcel number and URL associated with the specific short-term rental. While the information that can be requested must be “necessary to identify the property required by the local agency”, it is ultimately unclear what information can actually be requested. Short-term rental facilitators argue that providing such information compromises their hosts’ privacy, and could be unnecessary to collect TOT revenue. However, the supporters contend that even though the vast majority of the time the address is sufficient, complex situations like lot splits, multiunit properties, and even timeshares can make it difficult to identify a short-term rental; thus

the need for additional information. In order to provide more certainty to what information can be requested, the Committee may wish to consider if additional clarity is needed.

- c) **How Often is Too Often?** According to the sponsors, some cities and counties require the remittance of TOTs on a monthly basis, but this bill does not currently restrict how often they can make such a request. Depending on the number of requests made by cities and counties, this bill could place undue burden upon short-term rental facilitators to comply with the new requirements. In order to provide more certainty of when requests for information can be made, the Committee may wish to consider if specified limitations on the number of requests need to be added.
  - d) **Statewide Approach.** Even if SB 346 does help local governments improve their TOT collection, smaller cities and counties that do not have the resources to construct an effective ordinance, or enough short-term rentals to make it worth their while, may still not receive TOT revenue they are entitled to. Previous efforts in this space have focused on creating a statewide short-term rental TOT collection mechanism. For example, SB 555 (McGuire) in 2021 would have authorized a local agency to enact an ordinance delegating its authority to collect TOT on short-term rentals to the California Department of Tax and Fee Administration (CDTFA). The Assembly Appropriations Committee held the measure on their suspense file. A statewide approach could bring consistency for both local agencies and short-term rental facilitators, but would come at a much higher price tag for the State, since CDTFA would have to stand up a new collection program.
- 9) **Committee Amendments.** In response to the policy considerations above, the Committee may wish to amend the bill as follows:

50993. Upon request by the local agency, each short-term rental facilitator shall report, in the form and manner prescribed by the local agency, the 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:~~ period.

(b) If the information provided by the short-term rental facilitator pursuant to subdivision (a) is not sufficient for the local agency to identify a specific short-term rental at the provided address, the local agency may request the following:

(1) The assessor parcel number of each short-term rental.

(2) The URL associated with the specific short-term rental listing.

(3) Information exclusively related to the identification of an accessory dwelling unit, guest house, or single unit of a timeshare or multifamily housing project located at a single address, which is located at the address or assessor parcel number requested.

(c) Except as provided in subdivision (d), the reporting period in subdivision (a) may be no more frequently than in intervals of every 3 months within a 12-month period.

(d) The reporting period in subdivision (a) may be monthly if a local agency requires remittance of transient occupancy tax monthly.

~~(b)~~

(e) 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.~~

**50995. (a) 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 if the short-term rental facilitator is responsible for collecting and remitting the transient occupancy tax to the local agency pursuant to a local ordinance or collection agreement.**

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

- 10) **Previous Legislation.** SB 1049 (Glazer) of 2020 would have authorized cities and counties to impose a fine of up to \$5,000 for public and health and safety violations of a short-term rental ordinance. SB 1049 died on the Senate Inactive File.

SB 1072 (McGuire) of 2020, would have established the “Fair and Effective Collection of Due and Payable Transient Occupancy Taxes Derived from Short-term Rentals Arranged by Online Short-term Rental Facilitators Act of 2020.” SB 1072 would have required short-term rental facilitators to collect “local charges” imposed by local agencies to be collected from purchasers by the online short-term rental facilitators. SB 1072 died in the Senate Governance and Finance Committee.

SB 60 (Glazer), Chapter 307, Statutes of 2021, authorized cities and counties to impose a fine of up to \$5,000 for public and health and safety violations of a short-term rental ordinance.

SB 555 (McGuire) of 2021 would have, beginning July 1, 2022, authorized a local agency to enact an ordinance delegating its authority to collect TOT on short-term rentals to the California Department of Tax and Fee Administration. SB 555 was held on the Assembly Appropriations Committee Suspense File.

- 11) **Arguments in Support.** According to one of the sponsors, the League of California Cities, “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 physical address 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.”

According to the other sponsor, the California Association of County Treasurers and Tax Collectors, “The business model utilized by AirBNB and VRBO (among others) is a website that is searched based on a general location, such as a city. The addresses of the short-term rentals are not made available on the websites of these platforms. Only after payment is received, and the date of the stay approaches, does the guest receive communication from the platform regarding the exact location of the property. State law does not currently speak to short-term platform operators being required to provide the location of the properties listed on their website to local tax and land use authorities, despite local tax and use laws being entirely applicable to the host. This gap in the law is a substantial obstacle that local governments continue to face in enforcing existing ordinances on short-term rental operators who do not want to disclose their locations directly to the city or county in which they are operating. What tax collectors have been left to do is either contract with third-party technology companies to data-mine the web to locate these properties for the local government, or agree to ‘Voluntary Collection Agreements’ or VCAs.

“In communities facing housing shortfalls and a lack of workforce housing, more tools are needed to control the erosion of long-term housing stock. However, absent State action to compel platforms to cooperate fully with local agencies regarding the location of properties listed on their site, TOT collection will remain a concern with respect to accuracy and lawfulness, and local governments will remain hampered in their abilities to truly preserve housing stock in their jurisdictions. SB 346 will ensure that this business model - that purposefully obscures the location and legality of their revenue streams to maximize profit and minimize tax obligations and land use control – is finally ended. This legislation is vitally needed to modernize California statute and provide the tools needed to fairly and effectively apply existing laws to evolving technologies.”

- 12) **Arguments in Opposition.** According to Airbnb, “While the stated intent of SB 346 is to help local governments collect tourism taxes, the language requires a potentially broad collection of hosts’ private and sensitive information that is unnecessary for tax collection, threatens hosts’ privacy, and violates federal law. Cities and counties already have the ability to formally audit short-term rental platforms regarding their tax remittance.

“As currently written, SB 346 would empower jurisdictions to collect hosts’ private information without legal due process, such as their home parcel number or “any identifiable information” from a platform, with an undefined ability to use it – even for purposes unrelated to tax collection.

“To protect hosts' privacy, accommodations platforms should only share limited amounts of information for the sole purpose of ensuring the integrity of tourism tax collection and returns to local governments. Several federal courts have already ruled that non-public information, like addresses of short-term rental hosts, are considered private business records and platforms must be afforded due process before those records could be accessed.

“To that end, Airbnb has worked hand-in-hand with local governments over the past ten years to help verify the accuracy of tourism occupancy tax (TOT) collection. For example, we regularly share addresses and gross receipts with local governments during the course of an audit, while implementing guardrails to ensure the information is only used to verify the accuracy of the tourism taxes remitted.

“Without clear guardrails in SB 346 on how hosts' private information will be used, we cannot ensure our hosts' information will be protected. We request an amendment that requires local governments to provide a valid legal request to short-term rental platforms in order to obtain private business records.”

“SB 346 states it would allow local jurisdictions to pass an ordinance requiring hosts to display license numbers on accommodations platforms. However, Airbnb already works with many cities to help them enforce their short-term rental rules, including by displaying license numbers on listings in places that have adopted local ordinances requiring platforms to do so, alongside other tools and resources we offer local governments.

“In 2020, Airbnb launched the City Portal as a first-of-its-kind resource to help local governments better understand the short-term rental landscape in their community, as well as offer tools to help cities enforce their laws. In jurisdictions with applicable regulations, city officials can use the City Portal to search for listings in their registration system and take action on listings they determine violate local regulations. Since its creation, we've expanded the City Portal to more than 430 jurisdictions around the world – including cities across California – and we remain the only short-term rental platform that offers local governments this kind of technology.

“Coupled with the City Portal, we believe that the provisions in the bill requiring short term rental hosts to include an applicable license number in a listing can sufficiently address the short-term rental compliance concerns that the author and sponsors have expressed. SB 346 is an unnecessary and overreaching proposal that requires California hosts' private and sensitive information and violates federal law.”

13) **Double-Referral.** This bill is double-referred to the Assembly Committee on Judiciary.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Association of County Treasurers and Tax Collectors [SPONSOR]  
League of California Cities [SPONSOR]  
Asian American Hotel Owners Association  
California Business Roundtable  
California Chamber of Commerce (if amended)

California Contract Cities Association  
California Hotel & Lodging Association  
California Outdoor Hospitality Association (if amended)  
California State Association of Counties (CSAC)  
California State Council of Service Employees International Union (SEIU California)  
California YIMBY  
Century City Chamber of Commerce  
City and County of San Francisco  
City of Alameda  
City of Arcata  
City of Beverly Hills  
City of Big Bear Lake  
City of Buena Park  
City of Carlsbad  
City of Carpinteria  
City of Claremont  
City of Concord  
City of Ferndale  
City of Fullerton  
City of Goleta  
City of Hanford  
City of Huntington Beach  
City of Indian Wells  
City of Indio  
City of Hanford  
City of La Habra  
City of Laguna Beach  
City of Lake Forest  
City of Lakeport  
City of Long Beach  
City of Los Alamitos  
City of Morro Bay  
City of Napa  
City of Norwalk  
City of Ontario  
City of Palm Desert  
City of Palo Alto  
City of Paramount  
City of Pismo Beach  
City of Placentia  
City of Rancho Mirage  
City of Riverside  
City of San Luis Obispo  
City of Santa Barbara  
City of Santa Monica  
City of Simi Valley  
City of Stanton  
City of Temecula  
City of Thousand Oaks

City of Tustin  
City of Vista  
City of Walnut Creek  
Civitas  
County of Humboldt  
County of Imperial  
County of Lake  
County of Los Angeles  
County of Merced  
County of Mono  
County of Monterey  
County of Napa  
County of Placer  
County of Plumas  
County of Riverside  
County of Sacramento  
County of San Bernardino  
County of San Luis Obispo  
County of San Mateo  
County of Santa Clara  
County of Solano  
County of Sonoma  
County of Trinity  
Greater Coachella Valley Chamber of Commerce  
Long Beach Area Chamber of Commerce  
Los Angeles County Business Federation  
Mammoth Lakes Tourism  
Marin County Council of Mayors and Council members  
Muniservices  
Northeast Los Angeles Hotel Owners Association  
Orange County Treasurer-Tax Collector, Shari Freidenrich  
Rural County Representatives of California (RCRC)  
San Luis Obispo County Treasurer-Tax Collector, James W. Hamilton  
Santa Barbara South Coast Chamber of Commerce  
Sonoma County Mayor's and Councilmembers' Association  
The San Francisco Peninsula  
Torrance Area Chamber of Commerce  
Town of Truckee  
UNITE HERE International Union  
Urban Counties of California (UCC)  
Visit Berkeley  
Visit Huntington Beach  
Visit Oceanside  
Visit Rancho Cordova  
Visit Sacramento  
Visit San Luis Obispo  
Visit Santa Barbara  
Visit Temecula Valley  
Visit the Santa Ynez Valley

Visit Ventura  
Visit Yosemite/Madera County  
West Hollywood Chamber of Commerce  
Westside Council Chambers of Commerce

**Opposition**

Airbnb (unless amended)  
Booking Holdings (unless amended)  
Expedia Group (unless amended)  
TechNet  
Travel Technology Association

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