UNFINISHED BUSINESS

Bill No: SB 594
Author: Padilla (D), et al.
Amended: 8/12/26
Vote: 21

Prior Senate votes not relevant.

SENATE LOCAL GOVERNMENT COMMITTEE: 6-0, 8/26/26
AYES: Durazo, Choi, Arreguín, Cervantes, Laird, Seyarto
NO VOTE RECORDED: Ashby

ASSEMBLY FLOOR: 78-0, 8/20/26 - See last page for vote

SUBJECT: Short-Term Rental Facilitator Act of 2026

SOURCE: Author

DIGEST: This bill enacts the Short-Term Rental Facilitator Act of 2026, which permits Indian tribes to require short-term rental facilitators to provide specified information on short-term rentals in their jurisdiction.

Assembly Amendments deleted the contents of the bill and inserted the current provisions.

ANALYSIS:

Existing law:

1) Authorizes the legislative body of any city, county, or city and county to levy a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for a period of more than 30 days. The tax, when levied by the legislative body of a county, applies only to the unincorporated areas of the county.

2) Establishes the "Short-Term Rental Facilitator Act of 2025," which applies only to those local agencies that adopt an ordinance that makes these provisions applicable.

3) Requires each short-term rental facilitator to report, pursuant to a specified schedule and 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. If the information provided by the short-term rental facilitator 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:

   a) The assessor parcel number of the host property.

   b) The URL associated with the specific host property listing.

   c) 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.

4) 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, as specified.

5) Allows a local agency to 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.

6) Provides that any costs associated with an audit or examination must be paid for by the local agency.

This bill enacts the Short-Term Rental (STR) Facilitator Act of 2026, which permits Indian tribes to require STR facilitators to provide the same information on STRs to tribal governments that the STR Facilitator Act of 2025 required them to provide to local agencies.

Background

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 Transient Occupancy Taxes (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. In California, around 430 cities and 55 counties levy a TOT, mostly for general revenue purposes, at rates from 3% to over 15.5%. According to the State Controller's Office, TOTs generated over $3.3 billion in revenue for local agencies in the 2022-23 fiscal year. The state does not currently impose its own TOT.

Tribal sovereignty. California currently has 109 federally-recognized Indian tribes, with others petitioning for recognition. There are special rules that govern state and local jurisdiction for Indians and Indian Country, and federal and tribal laws may also apply. Like local governments, tribal governments can pass their own local ordinances to govern their members and their land. Federal courts have consistently held that tribes have the power of taxation on their members and on nonmembers doing business in their jurisdiction. As such, many tribal governments impose taxes similar to those the state and local governments impose. For example, the Agua Caliente Band of Cahuilla Indians imposes a variety of taxes including possessory interest tax, sales tax, and a TOT. Their tax department collects revenue from these taxes, which goes to support tribal government, services, and programs. When a tribe seeks to enforce their ordinances, like those allowing for the imposition of these taxes, these tribal ordinances typically get enforced through tribal courts.

Comments

1) *Purpose of the bill.* According to the author, "Short-term rentals have become an increasingly popular lodging option throughout California, including on tribal lands. Yet while cities and counties can access the information needed to collect transient occupancy taxes on these properties, federally recognized Indian tribes are currently excluded from accessing the same information. The lack of access to this information makes it significantly more difficult for tribal governments to administer and collect their own transient occupancy taxes, which are vital to funding essential government services for the reservation community, including public safety, fire and emergency response, and tourism management. SB 594 extends existing law to ensure that federally recognized Indian tribes may receive the information required to collect these taxes on rental properties located on their tribal land, advancing California's policy of cooperative intergovernmental relations."

2) *Necessary?* Tribal governments generally do not rely on state law to adopt or enforce their locally enacted ordinances. However, tribal governments, including the Agua Caliente Band of Cahuilla Indians, the sponsors of this measure, report having similar challenges to those local agencies have experienced when trying to collect information on STRs within their jurisdiction. While tribal governments have the ability to adopt an STR ordinance requiring STR facilitators to disclose this information and enforce those provisions in tribal courts, this does not allow them to compel these STR facilitators to disclose this information in state court. Tribal governments believe developing consistent reporting requirements for both local and tribal governments would improve compliance with STR disclosure requirements.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 8/26/26)

California Hotel & Lodging Association
City of Rancho Mirage
Tribal Alliance of Sovereign Indian Nations

OPPOSITION: (Verified 8/26/26)

None received

ASSEMBLY FLOOR: 78-0, 8/20/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Chen

Prepared by: Jonathan Peterson / L. GOV. / (916) 651-4119
8/26/26 12:59:40

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