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County of Sacramento

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March 10, 2025

The Honorable Maria Elena Durazo
State Capitol
1021 O Street, Room 7530
Sacramento, CA 95814

Re: SB 346 (Durazo) - Local agencies: transient occupancy taxes: short-term rental facilitator. - Support

Dear Senator Durazo,

On behalf of the Sacramento County Board of Supervisors, I write to support AB 346 (Durazo), which will significantly strengthen local tools to ensure compliance with obligatory local ordinances regarding the collection and remittance of transient occupancy taxes (TOT) applicable to short-term rentals.

In the ongoing absence of State Statute mandating that short term rental platforms provide specific information to the local tax authority to ensure TOT is applied, collected and remitted accurately, the platform operators will continue to participate in evading local tax and land use laws. Because statute does not reflect the evolution of the **internet's use to facilitate short-term rentals**, platform operators have continuously avoided reporting the locations of the short-term rental housing they make available on their website. At best, platform operators have selectively agreed to Voluntary Collection Agreements with some local taxing authorities, but a consistent requirement of that agreement is that local taxing authorities will not be able to receive the address or any personally identifying information for the listed properties. This leaves counties and cities in the untenable position of choosing between collecting some taxes through this process and trusting that is accurate and lawfully collected, or trying to pursue collection directly from property owners, which is time- and cost-intensive due to the sheer volume of listings in some jurisdictions; made worse by deliberately vague descriptions of the locations of the properties, to make it harder for local agencies to enforce local laws on these operators. Only through continual court action, such as a subpoena, could a county tax collector force platform operators to provide this critical information.

By authorizing a local agency to require a short-term rental facilitator to report, in the form and manner prescribed by the local agency, the assessor parcel number of each short-term rental listed on the site, along with any locally-required permit number, SB 346 will increase TOT compliance and ensure that local agencies are not receiving unlawfully-generated tax revenue from properties not authorized to be used for short-

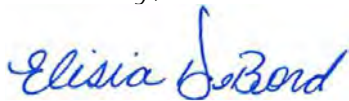
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term rental lodging. In communities facing housing shortfalls and a lack of workforce housing, more tools are needed to control the erosion of long-term housing stock. However, absent State action to compel platforms to cooperate fully with local agencies 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. This legislation is needed to modernize California statute and provide the tools needed to fairly and effectively apply existing laws to evolving technologies.

For these reasons, Sacramento County supports SB 346. Please feel free to contact me at (916) 874-4627 or deborde@saccounty.gov.

Sincerely,



Elisia De Bord

Governmental Relations and Legislative Officer

cc: Sacramento County Delegation
Sacramento County Board of Supervisors
Audrey Ratajczak, Cruz Strategies