

**ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT  
(AGTBID) ADVISORY BOARD**

**AGENDA REPORT**

**TO:** AGTBID Advisory Board  
**FROM:** Jocelyn Brennan, President/CEO, South County Chambers of Commerce  
**BY:** Holly Leighton, Marketing & Tourism Coordinator, South County Chambers of Commerce  
**MEETING OF:** April 26, 2021  
**SUBJECT:** Consideration of a Letter of Support for SB 555 from the AGTBID Advisory Board

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**RECOMMENDATION**

Draft a letter of support for SB 555 and forward it to City Council with a recommendation for approval.

**BACKGROUND**

Senate Bill No. 555 (SB 555), introduced by Senator McGuire, concerns local agencies' ability to collect transient occupancy taxes on short-term rentals.

This bill would authorize a local agency, defined to mean a city, county, or city and county, including a charter city, county, or city and county, to enact an ordinance exclusively delegating its authority to collect any transient occupancy tax imposed by that local agency on short-term rentals to the California Department of Tax and Fee Administration and to enter into a contract with the department for purposes of registration, rate posting, collection, and transmission of revenues necessary to collect and administer any transient occupancy tax imposed on a short-term rental as specified in this bill. This bill would define a short-term rental to mean the occupancy of a home, house, a room in a home or house, or other lodging that is not a hotel or motel in this state for a period of 30 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, as defined. This bill would require the department to perform those functions, as specified, and would require all local charges collected by the department to be deposited in the Local Charges for Short-term Rentals Fund, which would be created by the bill in the State Treasury. This bill would continuously appropriate all amounts in the fund to the department and would require the department to transmit the funds to the local agencies periodically as promptly as feasible, as provided.

This bill would require a short-term rental facilitator engaged in business in this state to be responsible for collecting from the purchaser any local charge imposed on a short-term rental by any local agency exclusively delegating its authority to the department pursuant to this bill to collect those charges and would require the online short-term rental facilitator to register with the department. The bill would require the department to administer and collect the local charges pursuant to the Fee Collection Procedures Law. This bill would also make it a misdemeanor for any deputy, agent, clerk, or other officer or employee of the department, or any former officer or employee or other individual, who

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in the course of that individual's employment or duty has or had access to returns, reports, or documents required to be filed under this bill, to disclose or make known in any manner information as to the amount of any local charges or any particulars, including the business affairs of a corporation, set forth or disclosed therein.

By extending the application of the Fee Collection Procedures Law, the violation of which is a crime, and imposing a new crime, this bill would impose a state-mandated local program.

**DISCUSSION**

The AGTBID Board of Directors of the Arroyo Grande Business Improvement District should support SB 555 because it would be a great help to the City of Arroyo Grande in collecting transient occupancy taxes. This new legislation will allow the City of Arroyo Grande to pursue host compliance and collect transient occupancy taxes from vacations rentals that have not been paying. The letter, if approved by the Board, would be forwarded to the City Council for their support and a request for them to submit their own letter as well. More information on the Bill can be found by searching "SB 555" at <https://leginfo.legislature.ca.gov>.

Attachments:

1. Draft Letter of Support from AGTBID Board



April 26, 2021

Dear California Senators,

We would like to offer our support of Senate Bill No. 555 (SB 555) introduced by Senator McGuire. This bill concerns local agencies' ability to collect transient occupancy taxes on short-term rentals. Our Board of Directors of the Arroyo Grande Business Improvement District strongly supports this bill because it would be a great help to the City of Arroyo Grande. This new legislation will allow the City of Arroyo Grande to pursue host compliance and collect transient occupancy taxes from vacations rentals that have not been paying.

This bill would authorize a local agency, defined to mean a city, county, or city and county, including a charter city, county, or city and county, to enact an ordinance exclusively delegating its authority to collect any transient occupancy tax imposed by that local agency on short-term rentals to the California Department of Tax and Fee Administration and to enter into a contract with the department for purposes of registration, rate posting, collection, and transmission of revenues necessary to collect and administer any transient occupancy tax imposed on a short-term rental as specified in this bill. This bill would define a short-term rental to mean the occupancy of a home, house, a room in a home or house, or other lodging that is not a hotel or motel in this state for a period of 30 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, as defined. This bill would require the department to perform those functions, as specified, and would require all local charges collected by the department to be deposited in the Local Charges for Short-term Rentals Fund, which would be created by the bill in the State Treasury. This bill would continuously appropriate all amounts in the fund to the department and would require the department to transmit the funds to the local agencies periodically as promptly as feasible, as provided.

This bill would require a short-term rental facilitator engaged in business in this state to be responsible for collecting from the purchaser any local charge imposed on a short-term rental by any local agency exclusively delegating its authority to the department pursuant to this bill to collect those charges and would require the online short-term rental facilitator to register with the department. The bill would require the department to administer and collect the local charges pursuant to the Fee Collection Procedures Law. This bill would also make it a misdemeanor for any deputy, agent, clerk, or other officer or employee of the department, or any former officer or employee or other individual, who in the course of that individual's employment or duty has or had access to returns, reports, or documents required to be filed under this bill, to disclose or make known in any manner information as to the amount of any local charges or any particulars, including the business affairs of a corporation, set forth or disclosed therein.

By extending the application of the Fee Collection Procedures Law, the violation of which is a crime, and imposing a new crime, this bill would impose a state-mandated local program.

We appreciate your attention and hope you join us in our support of SB 555.

Sincerely,

**Arroyo Grande Tourism Business Improvement District  
Board of Directors, (805) 489-1488**

- Greg Steinberger, Chair
- Vivian Krug, Vice Chair
- April Schirmer
- Yvette Eagles