

RESOLUTION NO. _____

A RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING SB 593 (MCGUIRE) AND CONTINUED LOCAL FLEXIBILITY FOR CITIES AS THEY ADDRESS NEIGHBORHOOD AND FISCAL IMPACTS OF TEMPORARY RENTALS OF RESIDENTIAL UNITS

WHEREAS, the temporary rental of residential houses, condominiums, rooms, and apartments for tourist or transient use is a developing part of the sharing economy; and

WHEREAS, while these rentals provide additional options to the traveling public, and income to affected property owners or tenants, it is also important that such rentals comply with local laws, regulations and ordinances; and

WHEREAS, the temporary rental of residential houses, condominiums, rooms, and apartments for tourist or transient use can present numerous challenges to neighborhoods and adjacent property owners and create additional noise, traffic, parking, privacy and public safety issues, subvert local rent-control laws, decrease available housing stock and in some cases turn residential neighborhoods into de-facto hotel rows; and

WHEREAS, where temporary rental of residential units for tourist or transient use is allowed in conformance with local laws, regulations and ordinances, the applicable transient occupancy tax (TOT) should also be collected. The temporary rental of residential units for tourist or transient use is in direct competition with hotels, motels and other accommodations where guests pay the local TOT, so all such uses should be subject to the same tax. The revenues generated support local streets, roads, fire, police, lifeguards, trash pick-up, park maintenance and other local public services which directly affect local quality of life and the attraction of the community for a visitor; and

WHEREAS, the Thriving Communities and Sharing Economy Act, introduced as SB 593 by Senator McGuire, prohibits the operators of transient residential hosting platforms from advertising residential units for tourist or transient use if such use will violate any ordinance, regulation, or law within the applicable city or county that opts into its provisions, and requires the confidential quarterly reporting to the city or county of the following information (if the City or County adopts an ordinance requiring the reporting of the data):

1. The address of each residential unit that was occupied for tourist or transient use during the quarterly period.
2. The total number of nights the residential unit was occupied for tourist or transient use.
3. The amounts paid for the occupancy of the residential unit for tourist or transient use.

WHEREAS, the provisions of SB 593 bolster existing local authority to enforce local ordinances and collect revenue associated with the temporary rental of residential units by allowing local agencies access to the data necessary to enforce their ordinances and requiring short-term rental hosting platforms to collect local TOT and remit it to the appropriate jurisdiction if short-term rentals are allowed in that jurisdiction; and

WHEREAS, the provisions of SB 593 provide a helpful regulatory framework that cities and counties may choose in lieu of exercising their existing authority; and

WHEREAS, the League of California Cities supports SB 593 because it recognizes and preserves local flexibility to address the temporary rental of residential units in the manner that best fits with the unique issues and conditions found in each local jurisdiction; and

WHEREAS, SB 593 provides local jurisdictions with the data and framework necessary to collect TOT revenues from short-term rentals, to pay for vital local services; and

WHEREAS, SB 593 provides local jurisdictions with the data and framework necessary to enforce local regulations designed to ensure the safety of the public and residents living adjacent to short-term rentals; and

WHEREAS, despite any existing challenges faced by cities in regulating or collecting revenue from the temporary rental of residential units, cities would oppose any effort to undermine their existing local authority to regulate land use or collect local TOT revenue.

RESOLVED, at the League of California Cities General Assembly, assembled at the League Annual Conference on September ____, 2015 in _____, as follows:

1. Land use regulation and local tax collection are best overseen and implemented locally.
2. While temporary rental of residential units can offer innovative opportunities for travelers and property owners within the developing sharing economy, cities must retain flexibility to address any problems raised by such uses in a manner that reflects the unique issues and conditions in their communities.
3. Cities have existing legal authority and tools to regulate and collect revenue from the temporary rental of residential units, and SB 593 provides the data and framework that supports and bolsters such local efforts.
4. The League encourages cities to support SB 593.