



August 4, 2025

Senator Durazo  
1021 O Street, Suite 7530  
Sacramento, CA 95814

**Re: Support - Senate Bill 346 - Local agencies: transient occupancy taxes: short-term rental facilitator**

Dear Senator Durazo,

It is with great pleasure that the undersigned organizations write in **support of Senate Bill 346 (Durazo)** because of the potential benefits it will bring to local communities. Specifically, this transparency measure would require disclosure of identifying information to local governments, allowing them to audit Transient Occupancy Tax remits and compliance with local ordinances.

**This Measure Helps Ensure That Everyone in the Travel Community is Paying Their Fair Share**

California's tourism industry and local governments rely heavily on Transient Occupancy Taxes (TOT) and other assessment structures to fund services ranging from traditional city functions like law enforcement and fire departments to tourism marketing efforts, which bring in people from around the

world to explore communities, enjoy restaurant and shopping experiences, and more. These taxes and assessments are levied upon tourism operations, such as hotels and short-term rentals, to fund these mutually beneficial services. TOT remittances from hotels are auditable, but in many jurisdictions, remittances from short-term rental platforms are not.

The inability of local governments to conduct audits raises an important issue, as studies<sup>1</sup> and reports suggest that not all short-term rental hosts are paying into these services – depriving local governments of essential tax revenue and tourism marketing entities of resources needed to travel demand for their communities. This measure would provide local governments with the information they need to audit remittances and ensure that everyone is paying their fair share to fund essential services and support local businesses.

### Conclusion

California’s business community relies upon the maintenance of a level playing field and equal contributions to mutually beneficial services. By requiring disclosure of the relevant identifying information, Senate Bill 346 (Durazo) would provide the transparency local governments need to ensure that participation and create a fair operating environment for our communities. California’s legislature has a longstanding tradition of establishing equal standards across all businesses - and we believe this measure to be no different. To that end, we stand in **support of Senate Bill 346 (Durazo)** and thank you for your thoughtful approach to this issue.

Respectfully,

Lynn Mohrfeld  
President + CEO  
California Hotel + Lodging Association

Kristen Miller  
President & CEO  
Santa Barbara South  
Coast Chamber of Commerce

John Hutar  
President and CEO  
The San Francisco Peninsula

Jeffrey Church  
President & CEO  
Visit Berkeley

Marc Sapoznik  
President/CEO

Kathy Janega-Dykes  
PRESIDENT/CEO

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<sup>1</sup> A 2022 study titled “[The Economic Impacts of Short-Term Rentals in Los Angeles](#)” prepared by researchers from the Urban Politics and Governance Research Group, a part of the School of Urban Planning at McGill University, indicates that 45% of the short-term rentals operating in Los Angeles are illegal, suggesting that there may be an under collection of TOT to the amount of \$14 million in 2022.

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