



September 5, 2025

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

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

Dear Governor Newsom,

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 studies¹ 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.

Your office 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 urge your support on this measure.

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
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Visit Berkeley

Marc Sapoznik
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Visit Rancho Cordova

Kathy Janega-Dykes
PRESIDENT/CEO
Visit Santa Barbara

¹ 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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