



**Sustainable
Economies
Law Center**

**Education, research, advice, and advocacy for just and resilient local economies.
2323 Broadway, Oakland, CA 94612 | www.theSELC.org**

April 9, 2015

TO: Assembly Member Brian Maienschein
Chair, Assembly Local Government Committee
1020 N Street, Room 157
Sacramento, California 95814
Fax: (916) 319-3959

CC: Assemblymember Rob Bonta

Re: Opposition to AB 1220, Transient occupancy taxes: residential short-term rentals

Dear Assemblymember Maienschein,

I am writing on behalf of the Sustainable Economies Law Center to oppose AB 1220. AB 1220 would prohibit California cities and counties from collecting transient occupancy tax (TOT) from short-term rentals such as those facilitated by Airbnb, VRBO, Homeaway, and Craigslist. Current law authorizes local governments to collect TOT from travelers, and we believe that governments should be able to collect this tax from travelers who patronize short-term rental units in the same way they can collect the tax from travelers who patronize hotels, motels, and inns.

Cities and counties rely on TOT revenues to fund a variety of purposes, including public arts, tourism, economic development, and general funds – purposes that benefit all members of the community. Prohibiting cities and counties from collecting TOT from a significant portion of tourists will further exacerbate the budget strains of our already cash-strapped local governments. If passed, this bill would take a bite out of local revenues, and the losses would grow as travelers increasingly opt to stay in short-term rentals rather than traditional hotels.

Cities all across the US are realizing the harmful impacts that unregulated and under-regulated short-term rentals can have on housing affordability. Long-term rental properties are dropping off the market because property owners see renting to short-term renters as an opportunity to earn more money with less responsibility. This leaves a city's renters with fewer available housing options, and higher rents. Unfortunately, low income and other vulnerable members of our communities are the first to be pushed out by unaffordable rents, abusive landlords, and unit conversions.

In light of these serious concerns, we believe that the TOT is an important tool that cities can use to control the use and impact of short-term rentals. We provide other recommendations for short-term rental regulation at http://theselc.org/str_discussion. There is no one size fits all short-term rental law; each city must determine its own regulations based on population, housing, health, safety, tourism, and other social and economic goals. Because appropriate short-term rental policies must be crafted on the local level, we urge you to protect the authority of local and regional governments to apply TOT to short-term rentals to the full extent they deem necessary.

Sincerely,


Christina Oatfield