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**SB-346 Local agencies: transient occupancy taxes: short-term rental facilitator.** (2025-2026)

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**Senate Bill No. 346**

**CHAPTER 751**

An act to add Chapter 4.6 (commencing with Section 50990) to Part 1 of Division 1 of Title 5 of the Government Code, relating to local government.

[ Approved by Governor October 13, 2025. Filed with Secretary of State October 13, 2025. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 346, Durazo. Local agencies: transient occupancy taxes: short-term rental facilitator.

Existing law authorizes a local authority, by ordinance or resolution, to regulate the occupancy of a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging for a period of less than 30 days.

This bill would authorize a local agency, defined to mean a city, county, or city and county, to enact an ordinance to require a short-term rental facilitator, as defined, to report, in the form and manner prescribed by the local agency, the physical address, including 9-digit ZIP Code, of each short-term rental, as defined, during the reporting period. The bill would also authorize a local agency to request additional information, as provided, when the physical address is not sufficient for the local agency to identify a specific short-term rental. The bill would authorize the local agency to impose an administrative fine or penalty for failure to file the report, and would authorize the local agency to initiate an audit of a short-term rental facilitator, as described. The bill would require a short-term rental facilitator, in a jurisdiction that has adopted an ordinance, to include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency. The bill would state these provisions do not preempt a local agency from adopting an ordinance that regulates short-term rentals, short-term rental facilitators, or the payment and collection of transient occupancy taxes in a manner that differs from those described in the bill.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** (a) Short-term rental facilitators are essentially online marketplaces that allow “guests” seeking accommodations and “hosts” offering accommodations to connect and enter rental agreements with one another.

(b) Many cities and counties impose a transient occupancy tax on guests who occupy those accommodations. The transient occupancy tax is payable with the host's charge for the accommodation.

(c) It is the intent of the Legislature to authorize cities and counties to adopt an ordinance that requires a short-term rental facilitator to transmit information that allows cities and counties to effectively enforce the payment of transient occupancy taxes by guests in these accommodations.

(d) As determined by the Ninth Circuit Court of Appeals in *HomeAway.com, Inc. v. City of Santa Monica* (9th Cir. 2019) 918 F.3d 676, requiring the transmittal of this information violates neither the federal Communications Decency Act nor the First Amendment.

**SEC. 2.** Chapter 4.6 (commencing with Section 50990) is added to Part 1 of Division 1 of Title 5 of the Government Code, to read:

#### **CHAPTER 4.6. The Short-Term Rental Facilitator Act of 2025**

**50990.** (a) This chapter shall be known, and may be cited, as the “Short-Term Rental Facilitator Act of 2025.”

(b) This chapter shall only apply to a local agency that adopts an ordinance that makes the provisions of this chapter applicable within its jurisdictional boundaries.

**50991.** All of the following definitions shall apply for purposes of this chapter:

(a) “Hotel” means a commercially operated hotel, motel, bed and breakfast inn, or similar transient lodging establishment, when all or part of the transient occupancy is or would be subject to tax under Section 7280 of the Revenue and Taxation Code. For purposes of this chapter, a “hotel” shall not include a short-term rental facilitator as defined in subdivision (g).

(b) “Local agency” means a city, county, or city and county.

(c) “Marketplace” means a physical or electronic place, including, but not limited to, a store, booth, internet website, catalog, television or radio broadcast, or a dedicated sales software application, where a marketplace seller facilitates the occupancy of a short-term rental for delivery in this state regardless of whether the short-term rental, marketplace seller, or marketplace has a physical presence in this state.

(d) “Ordinance” refers to an ordinance of a local agency imposing a transient occupancy tax.

(e) “Purchaser” means a person who is required to pay the transient occupancy tax and who uses a short-term rental facilitator to facilitate the occupation of a short-term rental within the jurisdiction of the local agency imposing the transient occupancy tax.

(f) “Short-term rental” means the occupancy of a home, house, a room in a home or house, a campsite, or other lodging that is not a hotel in this state for a period of 30 consecutive 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.

(g) “Short-term rental facilitator” means a person or entity that facilitates for consideration, regardless of whether it is deducted as fees from the transaction, the occupancy of a short-term rental that is not owned by the person facilitating the rental, through a marketplace operated by the person or a related person or entity, and that does both of the following:

(1) Directly or indirectly, through one or more related persons, engages in any of the following:

(A) Transmits or otherwise communicates the offer or acceptance between the purchaser and the operator.

(B) Owns or operates the infrastructure, electronic or physical, or technology that brings purchasers and operators together.

(C) Provides a virtual currency that purchasers are allowed or required to use to facilitate the occupancy of a short-term rental from the operator.

(D) Software development or research and development activities related to any of the activities described in paragraph (2), if such activities are directly related to facilitating short-term rentals.

(2) Directly or indirectly, through one or more related persons, engages in any of the following activities with respect to facilitating short-term rentals:

(A) Payment processing services.

(B) Listing homes, houses, or rooms in homes or houses, campsites, or other lodgings that are not a hotel or motel, and that are not owned by that person or a related person, for rental on a short-term basis.

(C) Setting prices.

(D) Branding short-term rentals as those of the short-term rental facilitator.

(E) Taking orders or reservations.

(h) "Transient Occupancy Tax" means a tax imposed by a local agency on the privilege of occupying a short-term rental as specified and defined by the local agency in its ordinance.

**50992.** For purposes of this chapter, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code, as that section was amended by Public Law 114-113, and the regulations thereunder.

**50993.** (a) Upon request by the local agency, each short-term rental facilitator shall report, in the form and manner prescribed by the local agency, the physical address, including nine-digit ZIP Code, of each short-term rental during the reporting period.

(b) If the information provided by the short-term rental facilitator pursuant to subdivision (a) is not sufficient for the local agency to identify a specific short-term rental at the provided address, the local agency may request the following:

(1) The assessor parcel number of each short-term rental.

(2) The URL associated with the specific short-term rental listing.

(3) Information exclusively related to the identification of an accessory dwelling unit, guest house, or single unit of a timeshare or multifamily housing project located at a single address, which is located at the address or assessor parcel number requested.

(c) Except as provided in subdivision (d), the reporting period in subdivision (a) may be no more frequently than in intervals of every 3 months within a 12-month period.

(d) The reporting period in subdivision (a) may be monthly if a local agency requires remittance of transient occupancy tax monthly.

(e) A local agency may make the failure of a short-term rental facilitator to report the information required by this section subject to an administrative fine or penalty pursuant to Section 53069.4.

**50994.** A short-term rental facilitator shall include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency.

**50995.** (a) A local agency may conduct an audit or otherwise examine the records of the short-term rental facilitator documenting the receipt of the transient occupancy tax due and payable to the local agency if the short-term rental facilitator is responsible for collecting and remitting the transient occupancy tax to the local agency pursuant to a local ordinance or collection agreement.

(b) Any costs associated with an audit or examination shall be paid for by the local agency.

**50996.** Nothing in this chapter shall be construed to preempt a local agency from adopting an ordinance that regulates short-term rentals, short-term rental facilitators, or the payment and collection of transient occupancy taxes in a manner different from the procedures prescribed in this chapter.