



## **SB 584 (LIMON) FAQ**

**FOR THE BILL AS IT IS IN PRINT JUNE 12, 2023**

**Q: Would this tax apply to only short-term vacation rentals or does it include hotels?**

A: Hotels, motels, inns, and bed and breakfasts are exempt.

**Q: Would a "hotel" with owned units at Westin be considered part of this as well?**

A: If it is labeled as a short-term rental, the tax could apply.

**Q: Will private residences managed by resorts be subject to the tax?**

A: Yes.

**Q: Does it specify residentially zoned property?**

A: No, it says short-term rental means occupancy via home, house, room in home or house, or other lodging that is not a hotel in motel or bed and breakfast in the state for a period of 30 days or less.

**Q: What groups are opposed to the bill?**

A: Airbnb, Booking.com, California Association of Realtors, California Housing Partnership Corporation, CalTravel, Expedia Group, California Chamber of Commerce, Vacation Rental Management Association, Travel Technology Association, Western Electrical Contractors Association. We have heard CalCities, and the California Association of Counties (CSAC) are opposed or opposing but have not officially registered their position.

**Q: Are there proponents of the legislation?**

A: Yes, it is sponsored by the State Building and Construction Trades of California.

**Q: If the bill were to pass, do we know how funds would come to a community for workforce housing construction?**

A: That is unclear. The bill currently says the state would endeavor to get the housing funding back to the communities that paid the STR tax.

**Q: Does the name of the bill change going to the assembly or stay SB 584?**

A: No, the bill will always be SB 584.

**Q: What does it mean that these funds will be built and managed by a “public entity”?**

A: As the bill is written, the taxes would go to the California Department of Tax and Fee Administration and the fund would be administered by the Department of Housing and Community Development.

**Q: If this passes, will other lodging types also be vulnerable to this assessment in the future?**

A: Absolutely, which is another reason to oppose this bill.

**Q: Do you have an economic analysis re: the loss of tourism dollars; jobs, etc.?**

A: The Milken Institute did a study: The Effects of Short-Term Rentals on California.

**Q: Is anyone looking at the legality of applying this tax for all coastal areas under the jurisdiction of the California Coastal Commission?**

A: They have been reached out to for review.

**Q: Should we reach out to local electeds (cities and county supervisors) that are in the districts of those Assemblymembers on the policy committees?**

A: CalCities and CSAC should be handling that.

**Q: Does the bill need 6 aye votes (out of the 8) to get out of Housing & Community Development Committee?**

A: No, it needs a simple majority.

**Q: Does it have to pass the housing committee to be heard by revenue and taxation committee?**

A: Yes.

**Q: When do you think the bill be assigned to committees? And when might committee hearings be?**

A: The bill will be referred on Thursday (June 15), which is when bills are referred to committees. The Housing committee meets twice a month, so it would likely be heard on Wednesday, June 28.

**Q: What are the action steps currently for those on the call?**

A: If you are not represented by someone on the policy committees, your opportunity to activate will come on the Assembly Floor. For now, we need activation from those whose legislators are on the Housing committee.