



Office of the Mayor

CONSENT CALENDAR

May 26, 2015

TO: Members of the City Council

FROM: Mayor Tom Bates

SUBJECT: Support of SB 593 (McGuire) – Thriving Communities and Sharing Economy Act

RECOMMENDATION

Adopt a Resolution:

- 1) Supporting Senate Bill 593 (McGuire), the Thriving Communities and Sharing Economy Act, which would require hosting platforms of short-term rentals to report quarterly to cities and counties, prohibit hosting platforms from listing rentals prohibited by local laws, and require hosting platforms to collect and remit the transient occupancy tax. SB 593 would also grant cities and counties the power to levy fines for noncompliance.
- 2) Directing the City Manager to write a letter to Senator McGuire, Senator Hancock, and Assemblymember Thurmond, indicating the City of Berkeley's support for the legislation.

BACKGROUND

Senator Mark McGuire proposes Senate Bill 593: Residential Units for Tourist or Transient Use: Housing platforms, also known as the Thriving Communities and Sharing Economy Act.

SB 593 requires a hosting platform to report quarterly, to a city or county that has not opted out of receiving the report, all of the following information:

- The address of each residential unit that was offered on the operator's hosting platform for occupancy for tourist or transient use and was occupied for that use during that quarterly period.
- The total number of nights that the residential unit was occupied for tourist or transient use.
- The amounts paid for the occupancy of that residential unit.

SB 593 allows a city or county to impose and collect fines on an operator of a hosting platform for failing to comply with the reporting requirements and specifies limits on the amounts of the fines.

SB 593 prohibits a hosting platform from facilitating the rental of a residential unit offered for occupancy for tourist or transient use, if a city or county ordinance prohibits the renting of that unit or offering of that unit for occupancy for tourist or transient use.

SB 593 allows a city or county to impose and collect fines on an operator of a hosting platform for knowingly violating this prohibition and specifies limits on the amounts of the fines.

SB 593 requires the operator of a hosting platform to comply with a local requirement that it must collect applicable transient occupancy tax imposed by a local agency, and to remit that tax to that agency.

#### FISCAL IMPACTS

None.

#### ENVIRONMENTAL SUSTAINABILITY

Not applicable.

#### CONTACT PERSON

Tom Bates

Mayor

981-7100

#### LINKS

1. Text of SB 590:

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB593&search\\_keywords=](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB593&search_keywords=)

#### ATTACHMENTS

1. Resolution

RESOLUTION NO. ##,###-N.S.

SUPPORT SENATE BILL 593: THRIVING ECONOMIES AND SHARING ECONOMY ACT

WHEREAS, recent growth in short-term rentals of residential units, which has been made possible by online hosting platforms, is having powerful effects in communities throughout California; and

WHEREAS, increased and undisclosed tourist traffic alters neighborhood character, creating additional demands on local public service providers; and

WHEREAS, the increase in short-term vacation rentals reduces the availability of already scarce affordable housing in many communities; and

WHEREAS, online hosting platforms receive revenues from short-term rental transactions that are of not permitted by local ordinances, and in many communities, neither the hosts who make residences available nor the hosting platforms collect and remit applicable transient occupancy taxes; and

WHEREAS, Senator McGuire proposes Senate Bill 593: Residential Units for Tourist or Transient Use: Housing platforms, also known as the Thriving Communities and Sharing Economy Act; and

WHEREAS, SB 593 would require hosting platforms of short-term rentals to report quarterly to cities and counties, prohibit hosting platforms from listing rentals prohibited by local laws, and require hosting platforms to collect and remit the transient occupancy tax, as well as grant cities and counties the power to levy fines for noncompliance; and

WHEREAS, SB 593 will improve property owners and renters' compliance with local laws, providing local residents and their elected representatives more tools to exert control over local land uses to ensure that they reflect local priorities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it supports CA Senate Bill 593 authored by Senator Mark McGuire.

BE IT FURTHER RESOLVED that the City Manager send a letter to Senator McGuire, Senator Hancock, and Assemblymember Thurmond, indicating the City of Berkeley's support for the legislation.

