

**\*\*\*CITY LETTERHEAD\*\*\***

July 5, 2023

The Honorable Jacqui Irwin  
Chair, Assembly Revenue and Taxation Committee  
1020 N Street, Room 167A  
Sacramento, CA 95814

**RE: SB 584 (Limón) Laborforce housing: Short-Term Rental Tax Law.**  
**Notice of OPPOSE UNLESS AMENDED (05/18/2023)**

Dear Assembly Member Irwin,

The City of Carson regrettably must **oppose unless amended** measure **SB 584**, which would impose a 15% tax on the occupancy of short-term rentals. Proceeds of the tax would be used to provide grants for the creation of "laborforce housing."

SB 584's intent is laudable, and we appreciate the author's desire to provide cities with funding for housing development. But, the ends do not always justify the means. We support efforts to reduce the cost of developing affordable housing and expand affordable housing statewide. However, this measure takes a flawed approach by creating a statewide 15% tax on the occupancy of short-term rentals, paid for by the renter of the property. Currently, more than 400 cities and 55 counties impose a local Transient Occupancy Tax (TOT), with the most common rate being 10%. Current TOT rates have taken a long time to reach their current levels and are often increased incrementally over many years.

For many cities, tourism and hospitality are essential economic drivers, resulting in cities relying on their local TOT as a primary source of General Fund revenue. In fact, in some instances TOT can represent over two-thirds of General Fund revenues, funding fire, police, and other essential services. Imposing a 15% statewide tax on top of existing local rates averaging 10% would cripple this critical local revenue source for these communities by making the cumulative TOT a fiscal burden for tourists who would like to visit the community and invest in the local economy.

This cost burden would effectively put crippling downward pressure on communities throughout the state, making it unlikely cities will be able to raise their local TOTs in the future to keep up with inflation to appropriately fund the services that their residents need.

The City of Carson has been proactively working to become a destination City in our region and this measure would drastically impact the ability of our City to continue attracting tourism and hospitality.

Rather than directly saddling Californians and tourists with an additional tax and restricting local government's ability to meet the needs of their residents, we recommend levying a tax or fee on the activity identified in the bill as contributing to the housing crisis, the "commercial use of residential homes and apartments for transient occupancies." The person/entity engaged in that activity is the home/apartment owner, not the transient lodger.

For these reasons, the City of Carson respectfully **opposes unless amended SB 584.**

Sincerely,

Carson City Council

Cc:

Senator Steven Bradford  
Assemblyman Mike A. Gipson  
Assemblyman Josh Lowenthal  
Jeff Kiernan, Regional Public Affairs Manager (via email)  
League of California Cities, (via email: [cityletters@calcities.org](mailto:cityletters@calcities.org))

\*\*\*CITY LETTERHEAD\*\*\*

July 5, 2023

The Honorable Buffy Wicks  
Chair, Assembly Housing and Community Development Committee  
1020 N Street, Room 156  
Sacramento, CA 95814

RE: **SB 584 (Limón) Laborforce housing: Short-Term Rental Tax Law.**  
**Notice of OPPOSE UNLESS AMENDED** (05/18/2023)

Dear Assembly Member Wicks,

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