

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 593

Introduced by Senator McGuire

February 27, 2015

~~An act to amend Sections 7507 and 7508 of the Revenue and Taxation Code, relating to taxation.~~ *An act to add Article 12 (commencing with Section 53170) to Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.*

LEGISLATIVE COUNSEL'S DIGEST

SB 593, as amended, McGuire. ~~Motor Vehicle Fuel Tax Law: license: revocation.~~ *Residential units for tourist or transient use: hosting platforms.*

The California Constitution authorizes a county or city to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.

This bill would require an operator of a hosting platform, as defined, to report specified information quarterly to the city, county, or city and county. The bill would authorize a city, county, or city and county, by ordinance, to opt out from receiving reports and to subsequently opt back in, with 90 days' advance notice of that ordinance to the operator of a hosting platform and to impose a fine or penalty on an operator that fails to provide the report, as specified. The bill would prohibit an operator of a hosting platform from facilitating the rental of a residential unit offered for occupancy for tourist or transient use, if such a use of that residential unit, or the offering of that residential unit for such a use, is prohibited by an ordinance of the city, county, or city and county in which that residential unit is located. The bill would authorize a city, county, or city and county, by ordinance, to establish a fine or penalty

on an operator of a hosting platform, as specified, for a knowing violation of this provision. The bill would also authorize a city, county, or city and county to require an operator of a hosting platform to collect and remit applicable local transient occupancy tax.

~~The Motor Vehicle Fuel Tax Law, which imposes a tax on motor vehicle fuel removed from a refinery or terminal rack in this state, or entered into this state, or sold in this state, requires that every supplier, industrial user, pipeline operator, train operator, and vessel operator be licensed by the State Board of Equalization for purposes of that law. That law requires, before revoking any license, the board to notify the licensee to show cause, within 10 days after the notice is given, why his or her license should not be revoked, and requires the board to allow the person the opportunity to show cause for why the license should not be revoked.~~

~~This bill would instead require that cause to be shown in writing and within 14 days after the notice is given.~~

Vote: majority. Appropriation: no. Fiscal committee: *yes-no*. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Article 12 (commencing with Section 53170) is*
2 *added to Chapter 1 of Part 1 of Division 2 of Title 5 of the*
3 *Government Code, to read:*

4
5 *Article 12. Thriving Communities and Sharing Economy Act*

6
7 *53170. This article shall be known, and may be cited, as the*
8 *Thriving Communities and Sharing Economy Act.*

9 *53171. (a) For purposes of this section:*
10 *(1) "Hosting platform" means a marketplace that is created*
11 *for the primary purpose of facilitating the rental of a residential*
12 *unit offered for occupancy for tourist or transient use for*
13 *compensation to the offeror of that unit, and the operator of the*
14 *hosting platform derives revenues, including booking fees or*
15 *advertising revenues, from providing or maintaining that*
16 *marketplace. "Facilitating" includes, but is not limited to, the act*
17 *of allowing the offeror of the residential unit to offer or advertise*
18 *the residential unit on the Internet Web site provided or maintained*
19 *by the operator.*

1 (2) “Offeror” includes an owner or lessee of a residential unit.

2 (3) “Residential unit” means a dwelling unit in a private
3 residence, including a single-family residence, an apartment or
4 other leased premises, a residential condominium unit, or any
5 other residential real estate improvement. “Residential unit” does
6 not include individual guest rooms, condominium units, timeshare
7 units, cabins, or similar guest accommodations rented to transient
8 guests in a hotel, inn, or similar transient lodging establishment
9 operated by an innkeeper, as defined in subdivision (a) of Section
10 1865 of the Civil Code.

11 (b) (1) Except as provided in paragraph (2), the operator of a
12 hosting platform shall report quarterly to the city, county, or city
13 and county all of the following information:

14 (A) The address of each residential unit that was offered on the
15 operator’s hosting platform for occupancy for tourist or transient
16 use and was occupied for that use during that quarterly period.

17 (B) The total number of nights that the residential unit was
18 occupied for tourist or transient use.

19 (C) The amounts paid for the occupancy of that residential unit.

20 (2) A city, county, or city and county may, by ordinance, opt
21 out from receiving reports from an operator of a hosting platform
22 under paragraph (1) at any time and, subsequently, may, by
23 ordinance, opt back in to receive the reports. A city, county, or
24 city and county shall provide the operator of a hosting platform
25 with 90 days’ advance notice of an ordinance adopted under this
26 paragraph.

27 (3) A city, county, or city and county may, by ordinance,
28 establish a fine or penalty on an operator of a hosting platform
29 that fails to provide a report required pursuant to this subdivision
30 not to exceed the amount of one thousand dollars (\$1,000) for the
31 first failure, two thousand dollars (\$2,000) for the second failure,
32 and five thousand dollars (\$5,000) for a third or subsequent failure,
33 to be imposed after the city, county, or city and county has provided
34 written notice to the operator of the failure, has given the operator
35 an opportunity to provide the report within 30 days of receiving
36 the written notice, and the operator failed to provide the report
37 within that period.

38 (4) Any civil fines or penalties shall be paid to the city, county,
39 or city and county that established the fine or penalty.

1 (c) (1) An operator of a hosting platform shall not facilitate
2 the rental of a residential unit offered for occupancy for tourist or
3 transient use if such a use of that residential unit, or the offering
4 of that residential unit for such a use, is prohibited by an ordinance
5 of the city, county, or city and county in which that residential unit
6 is located.

7 (2) A city, county, or city and county may, by ordinance,
8 establish a civil fine or penalty on an operator of a hosting platform
9 that knowingly violates this subdivision not to exceed the amount
10 of one thousand dollars (\$1,000) per day for the first violation,
11 two thousand dollars (\$2,000) per day for a second violation, and
12 five thousand dollars (\$5,000) per day for a third or subsequent
13 violation. An operator of a hosting platform shall be deemed to
14 have knowingly violated this subdivision if a city, county, or city
15 and county has previously provided the operator with a copy,
16 including a copy in electronic form, of its ordinance prohibiting
17 the use of a residential unit located within its boundaries for
18 occupancy for tourist or transient use, or the offering of that unit
19 for such a use, has given written notice of a known violation to
20 the operator, has given the operator an opportunity to cease
21 facilitating the rental of that residential unit within 30 days of
22 receiving the written notice, and the operator failed to cease within
23 that period.

24 (3) Any civil fines or penalties shall be paid to the city, county,
25 or city and county that established the fine or penalty.

26 (d) A city, county, or city and county may require the operator
27 of a hosting platform to collect applicable transient occupancy
28 tax imposed by that local agency, and to remit that tax to that
29 agency.

30 ~~SECTION 1. Section 7507 of the Revenue and Taxation Code~~
31 ~~is amended to read:~~

32 ~~7507. Before revoking any license, the board shall notify the~~
33 ~~licensee to show cause in writing, within 14 days after the notice~~
34 ~~is given, why his or her license should not be revoked. The notice~~
35 ~~shall be given in the manner prescribed in Section 7671 for giving~~
36 ~~notice of a deficiency determination.~~

37 ~~SEC. 2. Section 7508 of the Revenue and Taxation Code is~~
38 ~~amended to read:~~

39 ~~7508. The board may cancel any license issued under this part~~
40 ~~immediately upon surrender thereof, but before revoking a license,~~

1 ~~the board shall allow the person an opportunity to show cause in~~
2 ~~writing as provided in Section 7507.~~

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5 **CORRECTIONS:**

6 **Text—Page 3.**

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