

The Short-Term Rental Facilitator Act of 2025 (Senate Bill 346)

This addendum is provided for informational purposes to explain the provisions of Senate Bill 346, the Short-Term Rental Facilitator Act of 2025. It does not establish procedures, policies, or implementation guidance for county tax collectors.

13400-13406 Short-Term Rental Facilitator Act: General Information

13400. LEGISLATIVE BACKGROUND

Senate Bill 346, known as the "Short-Term Rental Facilitator Act of 2025," was approved by the Governor on October 13, 2025. The legislation adds Chapter 4.6 (commencing with Section 50990) to Part 1 of Division 1 of Title 5 of the Government Code.

The Legislature enacted this law recognizing that short-term rental facilitators function as online marketplaces connecting guests seeking accommodations with hosts offering. 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. The stated legislative intent is to authorize cities and counties to adopt ordinances requiring short-term rental facilitators to transmit information that allows local agencies to effectively enforce the payment of transient occupancy taxes.

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

13401. APPLICABILITY

The Short-Term Rental Facilitator Act applies only to local agencies that adopt an ordinance making the provisions of the chapter applicable within their jurisdictional boundaries (Gov. Code §50990(b)). A "local agency" is defined as a city, county, or city and county (Gov. Code §50991(b)).

13402. DEFINITIONS

The following definitions are established by Government Code section 50991:

HOTEL 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 Revenue and Taxation Code section 7280. For purposes of this chapter, a "hotel" does not include a short-term rental facilitator.

MARKETPLACE 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.

ORDINANCE An ordinance of a local agency imposing a transient occupancy tax.

PURCHASER 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.

SHORT-TERM RENTAL 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.

SHORT-TERM RENTAL FACILITATOR 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 engages in both of the following categories of activities:

Category 1 - Communication and Infrastructure Activities:

1. Transmits or otherwise communicates the offer or acceptance between the purchaser and the operator;
2. Owns or operates the infrastructure, electronic or physical, or technology that brings purchasers and operators together;
3. Provides a virtual currency that purchasers are allowed or required to use to facilitate the occupancy of a short-term rental from the operator; or
4. Software development or research and development activities related to facilitating short-term rentals, if such activities are directly related to facilitating short-term rentals.

Category 2 - Facilitation Activities:

1. Payment processing services;
2. 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;
3. Setting prices;
4. Branding short-term rentals as those of the short-term rental facilitator; or
5. Taking orders or reservations.

TRANSIENT OCCUPANCY TAX 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.

RELATED PERSONS 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 amended by Public Law 114-113, and the regulations thereunder (Gov. Code §50992).

13403. REPORTING REQUIREMENTS

Government Code section 50993 establishes reporting requirements for short-term rental facilitators:

INFORMATION REQUIRED 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.

ADDITIONAL INFORMATION If the physical address information is not sufficient for the local agency to identify a specific short-term rental, the local agency may request:

1. The assessor parcel number of each short-term rental;
2. The URL associated with the specific short-term rental listing; or
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.

REPORTING PERIODS The reporting period may be no more frequently than quarterly (every 3 months within a 12-month period), except that monthly reporting may be required if a local agency requires remittance of transient occupancy tax monthly.

PENALTIES A local agency may make the failure of a short-term rental facilitator to report the required information subject to an administrative fine or penalty pursuant to Government Code section 53069.4.

13404. LISTING REQUIREMENTS

Government Code section 50994 requires that a short-term rental facilitator include in the listing of a short-term rental:

1. Any applicable local license number associated with the short-term rental; and
2. Any transient occupancy tax certification issued by a local agency.

13405. AUDIT AUTHORITY

Government Code section 50995 addresses audit authority:

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.

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

13406. LOCAL AGENCY PREEMPTION

Government Code section 50996 provides that nothing in the Short-Term Rental Facilitator Act 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 the chapter.