

ASSEMBLY BILL

No. 1731

Introduced by Assembly Member Boerner Horvath

February 22, 2019

An act to add Section 22596 to the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

AB 1731, as introduced, Boerner Horvath. Short-term rentals: coastal zone.

Existing law requires a hosting platform, as defined, to provide a specific notice to an occupant listing a residence for short-term rental on a hosting platform that states, among other things, that, if the occupant is a tenant, listing the room, home, condominium, or apartment may violate the lease or contract and could result in legal action by the landlord, including possible eviction.

This bill would authorize a housing platform to make available a residentially zoned or residentially used unit within a residential property that is located within the coastal zone as a short-term rental 365 days per year if the primary resident lives onsite of the residential property full time. The bill would prohibit a housing platform from making available residential property that is located within the coastal zone in which the primary resident does not live onsite full time as a short-term rental for more than 30 days per year, unless the primary resident makes the residential property available as a short-term rental in accordance with the Lower Cost Coastal Accommodations Program administered by the State Coastal Conservancy. The bill would also require the housing platform facilitator of the short-term rental to be responsible

for collecting and remitting applicable transient occupancy taxes, as specified.

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

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California is in the midst of a statewide affordable housing
4 crisis; while concurrently experiencing a proliferation of
5 unregulated short-term rentals (STRs) of residential units.

6 (b) The housing shortage is particularly acute in the coastal
7 zone, where housing can be much more difficult to approve than
8 elsewhere in the state, and any unit removed permanently from
9 the zone's housing stock is difficult, if not impossible, to replace.

10 (c) The recent spike of short-term rentals of residential units
11 reduces the availability of already scarce affordable housing in
12 many communities, and additionally increases undisclosed tourist
13 traffic and compounds demands on local public service providers.

14 (d) Promulgated by affluent investor activity, affordable housing
15 stock diminishes as long-term rentals are snatched up to turn a
16 quick profit in the short-term rental market while transforming
17 quiet coastal neighborhoods into year-round hotel zones as visitors
18 use short-term rentals as crash pads.

19 (e) Moreover, it is insurmountably cost-prohibitive for most
20 communities, neither the host who makes residences available for
21 occupancy for fewer than 30 days, nor the hosting platforms collect
22 and remit applicable transient occupancy taxes, which were put in
23 place for the funding of critical community services.

24 (f) Currently, cities and counties are wrestling with best practices
25 for online short-term rental companies, not only to retain a
26 sufficient housing market, but to obtain the information they need
27 to enforce local laws and collect taxes on overnight stays.

28 (g) Municipalities in the coastal zone face an additional barrier
29 to regulating short-term rentals, as the California Coastal
30 Commission has found that "coastal access" includes short-term
31 rentals and has rejected local ordinances intended to minimize or
32 ban the number of these types of rentals in residential areas.

(h) In the decade since the popularization of the online home sharing industry, San Diego’s estimated inventory of short-term rentals has grown to more than 11,000, the majority of which are entire homes that are being rented out for short-term stays, according to the data analytics firm Host Compliance.

(i) Housing units that rent on a short-term basis, less than 30 days at a time, for the entire year by definition remove housing stock from the coastal zone, and fly in the face of our state’s housing goal of providing for 3,500,000 additional housing units on the market by 2025.

SEC. 2. Section 22596 is added to the Business and Professions Code, immediately following Section 22594, to read:

22596. (a) A housing platform shall not make available residential property located within the coastal zone as a short-term rental unless one of the following is met:

(1) If the primary resident lives onsite of the residential property full time, the housing platform may make a residentially zoned or residentially used unit within the residential property available as a short-term rental 365 days per calendar year.

(2) (A) If the primary resident does not live onsite of the residential property full time, the housing platform shall not make available the residential property as a short-term rental for more than 30 days per calendar year.

(B) Notwithstanding subparagraph (A), if the primary resident makes the residential property available as a short-term rental in accordance with the Lower Cost Coastal Accommodations Program administered by the State Coastal Conservancy pursuant to Chapter 10 (commencing with Section 31411) of Division 21 of the Public Resources Code, the housing platform may make the residential property available as a short-term rental 365 days per year.

(b) This section does not supersede any local requirement to obtain a permit in order to make a residential property available as a short-term rental or to supersede the authority of a local government to impose that requirement.

(c) This section does not apply to limit or supersede any restrictive covenant or other rule that imposes additional restrictions upon the use of the residential property as a short-term rental or prohibit the residential property from being made available as a short-term rental.

1 (d) The housing platform facilitator of the short-term rental, for
2 purposes of this section, shall be responsible for collecting
3 applicable transient occupancy taxes, and shall be responsible for
4 remitting those taxes at no additional cost to the local municipality
5 in which the short-term rental is located.

6 (e) For purposes of this section, “coastal zone” has the same
7 meaning as defined by subdivision (a) of Section 30103 of the
8 Public Resources Code.