



Santa Barbara South Coast Chamber of Commerce

www.SBSCChamber.com

Mailing Address: 5662 Calle Real #204, Goleta, CA

Visit Santa Barbara

www.SantaBarbara.com

Mailing Address: 500 E. Montecito Street, Santa Barbara CA

5/30/2023

California State Senate
State Capitol, Room 307
Sacramento, CA, 95814

RE: SB 584 (Limón) Labor Force Housing: Short-Term Rental Tax Law

Dear Members of the California State Senate:

The Santa Barbara South Coast Chamber of Commerce and Visit Santa Barbara OPPOSE SB 584 (Limón), due to concerns regarding the impact it would have on our crucial tourism economy, as well as its inequitable and discriminatory approach to address California's housing crisis.

While we appreciate the bill's efforts to address the state's housing crisis, and while the Santa Barbara South Coast Chamber of Commerce and Visit Santa Barbara are not opposed to creating affordable housing, we do oppose adding additional assessments on one form of lodging to fund housing. This sets a negative precedent that could jeopardize destination and visitor funding mechanisms in the future.

This proposed 15% tax on short-term rentals would stack on top of our existing local Transient Occupancy Taxes (TOT) and would ultimately harm our visitors. Tourism is a major economic driver in California, especially in our local economy on the Santa Barbara South Coast. For the first time since the pandemic, our tourism economy is finally thriving again. Adding this increased tax burden to our visitors not only threatens that success, but it would also limit our local jurisdictions to control TOT rates due to the limit created by what short-term rental operators are able to absorb and visitors are willing to pay. Additionally, the effects of this additional tax could ultimately harm local TOT revenue, limiting local jurisdictions' ability to adequately fund important government services – particularly in tourism focused economies like the Santa Barbara South Coast.

Additionally, California's housing crisis is ultimately a supply-and-demand issue, which will not be solved by placing particular property owners with increased taxes. Instead, we need to focus on increasing production, decreasing building costs, and easing the regulatory burdens placed on developers.

For the reasons highlighted above our two organizations are OPPOSED to SB 584 (Limón).

Sincerely,

Kristen Miller
President & CEO
Santa Barbara South Coast Chamber of
Commerce

Kathy Janega-Dykes
President & CEO
Visit Santa Barbara