

BUDGET AND FINANCE COMMITTEE REPORT relative to the application of Transient Occupancy Tax (TOT) on rooms rented by Airbnb and other entities that compete with the hotel industry.

Recommendations for Council action:

1. DIRECT the Office of Finance to send a notice to each host listed on the Airbnb site and all similar sites to inform the hosts of their existing obligation to pay TOT.
2. DIRECT the City Administrative Officer (CAO) to identify any existing contractual relationships between cities and Airbnb/Airbnb competitors and report back to the Budget and Finance Committee with a proposal for similar agreements for the City of Los Angeles.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY:

At its regular meeting of September 8, 2014, the Budget and Finance Committee considered a Budget Recommendation relative to instructing the City Attorney, with assistance from the CAO, Chief Legislative Analyst and Finance to report on the application of TOT on rooms rented by Airbnb and other entities that compete with the hotel industry. During Committee discussion, City Attorney and Finance representatives provided an overview of the above matter and responded to related questions from Committee members. After further consideration and having provided an opportunity for public comment, the Committee recommended that Council adopt the recommendations detailed above. This matter is now submitted to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|----------------------|--------------------|
| KREKORIAN: | YES |
| ENGLANDER: | YES |
| KORETZ: | ABSENT |
| BLUMENFIELD: | YES |
| BONIN: | YES |

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