

May 21, 2025

The Honorable María Elena Durazo  
California State Senate  
1021 O Street, Suite 7310  
Sacramento, CA 95814

**RE: Senate Bill 346 (Durazo) – Local agencies: transient occupancy taxes: short-term rental facilitator.  
City of Palo Alto – Notice of Support**

Dear Senator Durazo:

On behalf of the City of Palo Alto, I am pleased to express our strong support for Senate Bill 346, which provides local governments with a critical tool to ensure accurate collection and remittance of Transient Occupancy Taxes (TOT) from short-term rental platforms.

As the Bay Area prepares to host a global event of unprecedented scale—the 2026 FIFA World Cup at Levi's Stadium in Santa Clara—cities like Palo Alto expect significant increases in short-term rental activity due to overflow from international visitors and traveling fans. While these events present important economic and cultural opportunities, they also place increased demands on municipal infrastructure, public safety services, and transportation systems. Local agencies must be equipped to recover the revenue necessary to meet these demands.

SB 346 empowers cities and counties to adopt ordinances requiring short-term rental facilitators—such as online platforms—to report key information that verifies the physical location, licensing, and tax status of each short-term rental. This level of transparency is vital to enforcing local TOT ordinances and closing tax collection gaps that have historically disadvantaged public agencies. In the absence of these tools, local governments risk losing millions in potential TOT revenue, especially during major international events.

Importantly, SB 346 preserves local control and does not preempt cities from adopting additional or alternative regulations tailored to their own needs. It also aligns with legal precedent set by the Ninth Circuit, ensuring that information reporting obligations for platforms do not infringe on federal protections.

The City of Palo Alto applauds your leadership in advancing this thoughtful and timely legislation. SB 346 supports fiscal accountability, transparency, and equity in short-term rental regulation—while enabling local agencies to responsibly capture revenue tied to increased tourism and large-scale events.

For these reasons, the City of Palo Alto is proud to support SB 346 and respectfully urges its passage.

# City of Palo Alto

*Office of the Mayor and City Council*

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Lauing", is positioned above a thin vertical line.

Ed Lauing  
Mayor  
City of Palo Alto

cc: Assembly Member Marc Berman  
Senator Josh Becker