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Issue #26

## **Two Assembly Legislative Committees to Discuss TOT and the Home-Sharing Economy at Wednesday Hearing**

The Assembly Local Government and Revenue and Taxation Committees tomorrow will hold a hearing on transit occupancy taxes (TOT) and the home-sharing phenomenon. The hearing begins at 1:30 p.m. in Room 4202 of the State Capitol. This is an informational hearing on the application and collection of TOT at the local level. *For more, see Page 2.*



## **State Water Board Enacts Tougher Restrictions on Landscape Irrigation**

With California in its fourth year of drought, today the State Water Resources Control Board passed the [state's most strict landscape watering restrictions in history](#). The board's 5-0 action requires all urban water agencies to limit outdoor watering. Urban water agencies would be required to activate plans that limit the number of days customers can water. Agencies lacking a contingency plan would impose a two day per week watering limit on customers. *For more, see Page 2.*

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Local agencies charge TOTs on hotel/motel rooms to support the local general fund and provide added revenues to fund police, fire, local streets and roads, and other local services. Typically the hotel collects the TOT and then remits it to the local agency. According to background materials prepared by the Assembly, TOTs on average provide approximately 7 percent of city general purpose revenues, but for some communities, the percentage may be substantially higher. More than 400 cities and 55 counties levy a TOT with rates ranging from 3.5 to 15 percent.

Tomorrow's hearing will feature an overview of TOTs, home-sharing, short-term vacation rentals and other legal issues at the local level. League Fiscal Policy Advisor Michael Coleman and Michael Colantuono, partner with Colantuono, Highsmith and Whatley, LCC will be speaking. League Immediate Past President and San Francisco Treasurer José Cisneros will provide a case study from the city and county of San Francisco.

The agenda for tomorrow's hearing has been [posted on the Assembly website](#).

Information and resources are also available on the League's [vacation rental hot issue page](#).

[The California Local Government Finance Almanac](#) has information on TOTs under "Other Locally Adopted Revenues: Business Tax, Hotel Tax and Others."

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The new rules also prohibit people from watering landscaping when it rains and for another 48 hours after the precipitation stops. Restaurants and bars can only serve water upon customer request.

Statewide, urban water usage is about 20 percent of all water consumption. Landscaping uses approximately 70 percent of the water used in urban areas.

Water supplying agencies are required to monitor and report violations. Agencies are required to notify customers of excessive water usage due to leaks. Fines for violating these restrictions remain at \$500 per infraction. Large water suppliers are required on a monthly basis to report water usage.

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