Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Juan Carrillo, Chair
SB 594 (Padilla) – As Amended June 23, 2026

SENATE VOTE: 27-9

SUBJECT: Short-term rental facilitators: Indian tribes.

SUMMARY: Enacts the "Short-Term Rental (STR) Facilitator Act of 2026", which permits Indian tribes to enact ordinances that require STR facilitators to provide specified information on STRs. Specifically, **this bill**:

1) Defines the following terms:

   a) "Hotel" to mean a commercially operated hotel, motel, bed and breakfast inn, or similar transient lodging establishment, when all or part of the transient occupancy is or would be subject to tax under tribal law of an Indian tribe, as specified.

   b) "Indian tribe" to mean any Indian tribe, band, nation, or other organized group or community located in California or with lands that extend into California, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

   c) "Marketplace" to mean a physical or electronic place, including, but not limited to, a store, booth, internet website, catalog, television or radio broadcast, or a dedicated sales software application, where a marketplace seller facilitates the occupancy of a STR for delivery in this state regardless of whether the STR, marketplace seller, or marketplace has a physical presence in this state.

   d) "Ordinance" refers to a tribal law of an Indian tribe, imposing a transient occupancy tax (TOT).

   e) "Purchaser" to mean a person who is required to pay the TOT and who uses a STR facilitator to facilitate the occupation of a STR within the jurisdiction of the Indian Tribe imposing the TOT.

   f) "STR" to mean the occupancy of a home, house, a room in a home or house, a campsite, or other lodging that is not a hotel in this state for a period of 30 consecutive days or less and under any circumstances specified by the Indian Tribe in its ordinance that is facilitated by a STR facilitator.

   g) "STR facilitator" to mean a person or entity that facilitates for consideration, regardless of whether it is deducted as fees from the transaction, the occupancy of a STR that is not owned by the person facilitating the rental, through a marketplace operated by the person or a related person or entity, and that does both of the following:

      i) Directly or indirectly, through one or more related persons, engages in any of the following:

(1) Transmits or otherwise communicates the offer or acceptance between the purchaser and the operator.

(2) Owns or operates the infrastructure, electronic or physical, or technology that brings purchasers and operators together.

(3) Provides a virtual currency that purchasers are allowed or required to use to facilitate the occupancy of a STR from the operator.

(4) Software development or research and development activities related to any of the activities described in ii), below, if such activities are directly related to facilitating STRs.

ii) Directly or indirectly, through one or more related persons, engages in any of the following activities with respect to facilitating STRs:

(1) Payment processing services.

(2) Listing homes, houses, or rooms in homes or houses, campsites, or other lodgings that are not a hotel or motel, and that are not owned by that person or a related person, for rental on a short-term basis.

(3) Setting prices.

(4) Branding STRs as those of the STR facilitator.

(5) Taking orders or reservations.

h) "TOT" to mean a tax imposed by an Indian tribe on the privilege of occupying a STR as specified and defined by the Indian tribe in its ordinance.

2) Specifies that this bill shall only apply to an Indian tribe that adopts an ordinance that makes the provisions of this bill applicable within its jurisdictional boundaries.

3) Provides that upon request by the Indian tribe, each STR facilitator shall report, in the form and manner prescribed by the Indian tribe, the physical address, including nine-digit ZIP Code, of each STR during the reporting period.

4) Specifies that, if the information provided by the STR facilitator is not sufficient for the Indian tribe to identify a specific STR at the provided address, the Indian tribe may request the following:

a) The assessor parcel number of each STR, if available.

b) The URL associated with the specific STR listing.

c) Information exclusively related to the identification of an accessory dwelling unit, guest house, or single unit of a timeshare or multifamily housing project located at a single address, which is located at the address or parcel number requested.

5) Provides that, except as provided in 6), below, the specified reporting period may be no more frequently than in intervals of every 3 months within a 12-month period.

6) Specifies that the reporting period may be monthly if an Indian tribe requires remittance of the TOT monthly.

7) Provides that an Indian tribe may make the failure of a STR facilitator to report the information required by this bill subject to an administrative find or penalty pursuant to tribal law of an Indian tribe.

8) Requires the STR facilitator to include in the listing of a STR any applicable license number associated with the STR and any TOT certification issued by the Indian tribe.

9) Allows the Indian tribe to conduct an audit or otherwise examine the records of the STR facilitator documenting the receipt of the TOT due and payable to the Indian tribe if the STR facilitator is responsible for collecting and remitting the TOT to the Indian tribe pursuant to an ordinance, tribal law, or collection agreement.

10) Specifies that any costs associated with an audit or examination shall be paid for by the Indian tribe.

11) Provides that nothing in this bill shall be construed to preempt an Indian tribe from adopting an ordinance that regulates STRs, STR facilitators, or the payment and collection of TOTs in a manner different from the procedures prescribed in this bill.

FISCAL EFFECT: None.

COMMENTS:

1) **Bill Summary.** This bill enacts the “STR Facilitator Act of 2026”, which permits Indian tribes to enact ordinances that require STR facilitators to provide specified information on STRs. If an ordinance is adopted, this bill requires, upon request by the Indian tribe, each STR facilitator to report the physical address of each STR during the specified reporting period, as well as any additional information necessary to identify the property required by the Indian tribe, including the assessor parcel number of the host property, if available, and the URL associated with the specific STR listing.

   This bill also allows an Indian tribe to make a failure of a STR facilitator to report the required information subject to an administrative fine or penalty and allows an Indian tribe to conduct an audit of the STR facilitator documenting the receipt of the TOT due and payable to the Indian tribe. Any costs associated with an audit must be paid for by the Indian tribe. Lastly, this bill requires a STR facilitator to include in the listing of a STR any applicable license number associated with the STR, and any TOT certification issued by an Indian tribe. The Agua Caliente Band of Cahuilla Indians is the sponsor of this bill.

2) **Author’s Statement.** According to the Author, “Short-term rentals have become an increasingly popular lodging option throughout California, including on tribal lands. Yet while cities and counties can access the information needed to collect transient occupancy taxes on these properties, federally recognized Indian tribes are currently excluded from accessing the same information.

"The lack of access to this information makes it significantly more difficult for tribal governments to administer and collect their own transient occupancy taxes, which are vital to funding essential government services for the reservation community, including public safety, fire and emergency response, and tourism management. SB 594 extends existing law to ensure that federally recognized Indian tribes may receive the information required to collect these taxes on rental properties located on their tribal land, advancing California's policy of cooperative intergovernmental relations."

3) **Short-Term Rentals.** California has seen a rise in the home sharing industry with companies such as Airbnb, HomeAway, and VRBO gaining popularity due to their STR practice. STRs, also known as vacation-rentals, are usually an individual's residential property, such as a home, room, apartment, or condominium that is rented out to a visitor for fewer than 30 consecutive days. Generally, the home sharing industry involves three primary participants: (1) the home sharing platforms, such as Airbnb, that advertise residential property offered for temporary rental and facilitates connecting renters with hosts for a fee, (2) the consumer who is often referred to as the "renter," "guest," or "visitor" of the residential property, and (3) the supplier, owner, operator, or "host" of the residential property. STRs rentals are not a new practice, but the development of online hosting platforms, bookings, advertisements, and payments has increased the level and popularity of STRs usage.

   The popularity of STRs could be attributed to its tourist and economic benefits. Utilizing online home sharing platforms, like Airbnb, can provide homeowners with an opportunity to earn additional income to offset the cost of maintaining their residential property. For travelers, online rental platforms provide an online streamlined approach to obtaining booking as opposed to traditional booking of motels or hotels. However, STRs also present some local elected officials with a new set of challenges with short-term renters creating parking, trash, and safety concerns. As local agencies contend with the impacts from the growing popularity of STRs, cities and counties have adopted ordinances to regulate or to prohibit STRs.

   A number of reports have been released in recent years indicate that, when STRs accumulate in certain locales, it can have an impact on the housing market, potentially leading to higher rents and fewer long-term rentals available as well as reducing the overall supply of affordable housing and altering the character of certain neighborhoods. However, the studies are divided over how big of an impact there really is and note that this could be dependent upon local factors. According to an October 28, 2024 article published by CNN, "Over the past few years, Airbnb and Vrbo, two of the most well-known short-term home rental platforms, have faced increasing restrictions and even outright bans from some local governments who say the platforms have worsened housing affordability.

   "Yet economists are divided over how much impact Airbnb and other STRs (generally defined as a rental unit offered for 30 days or less) truly have on America's once-in-a-generation housing affordability crisis. It's a complex problem, and one characterized by high prices for both rentals and sales, elevated mortgage rates and a historic undersupply of homes."

4) **STR Facilitator Act of 2025.** SB 346 (Durazo), Chapter 751, Statutes of 2025, established the STR Facilitator Act of 2025 and authorized a city or county to enact ordinances that

require STR facilitators (e.g. Airbnb, HomeAway, Expedia, etc.) to provide addresses and other specified information about listed rental properties within the local agency's jurisdiction. According to the author and sponsors of SB 346, this information is necessary to facilitate the collection and enforcement of TOTs. The cities and counties that supported this bill contended that STRs create additional costs that make TOT necessary. Moreover, while the local agency might already possess information about hosts who are licensed by the local agency, they cannot easily obtain information about rentals that are operating without a license.

In addition to requiring STR facilitators to provide requested information, the bill permitted the local agency to subject any STR facilitator to an administrative fine or penalty for failing to provide the information that is requested and specified that the local ordinance could permit the local agency to conduct an audit or otherwise examine the records of a STR facilitator. Lastly, the bill specified that nothing in its provisions would preempt a local agency from enacting an ordinance that differs from its provisions.

5) **Sovereignty.** According to the California Attorney General, tribes possess all powers of self-government except: (1) those relinquished under treaty with the United States; (2) those that Congress has expressly extinguished; and (3) those that the federal courts have ruled are subject to existing federal law or are inconsistent with overriding national policies. Tribes, therefore, possess the right to form their own governments; to make and enforce laws, both civil and criminal; to tax; to establish and determine membership (i.e., tribal citizenship); to license and regulate activities within their jurisdiction; to zone; and to exclude persons from tribal lands.

   Limitations on inherent tribal powers of self-government are few, but do include the same limitations applicable to states, e.g., neither tribes nor states have the power to make war, engage in foreign relations, or print and issue currency.

   According to the sponsors regarding the ability to tax, "A tribe's power to tax — including the power to impose a transient occupancy tax — is not a power granted by Congress, but an inherent attribute of tribal sovereignty that predates and exists independently of any federal statute or tribal constitution. The Department of the Interior recognized this principle as early as 1934, and the Supreme Court has reaffirmed it in both the trust land commercial context (*Merrion*) and the on-reservation transactional context (*Colville*), making clear that the power to tax serves the essential governmental function of funding tribal self-governance and that it survives unless expressly divested by Congress. Because tribal and state taxing authority operate independently and do not preempt one another, a tribe's exercise of its inherent taxing authority is not foreclosed by the existence of a parallel state tax on the same transaction. Finally, while a tribe's constitution may organize or expressly limit the exercise of this authority, the constitution is not the source of the power itself — the power exists by virtue of the tribe's sovereign status, with or without express constitutional recognition. This inherent and well-established authority forms the legal foundation for any tribe's transient occupancy tax program."

6) **Technical Amendment.** The Committee may wish to amend this bill to fix a cross-reference as follows:

   50997.1.(a) "Hotel" means a commercially operated hotel, motel, bed and breakfast inn, or similar transient lodging establishment, when all or part of the transient occupancy is or would be subject to tax under tribal law of an Indian tribe. For purposes of this chapter, a "hotel" shall not include a short-term rental facilitator as defined in subdivision ~~(i).~~**(g).**

7) **Arguments in Support.** According to the Agua Caliente Band of Cahuilla Indians, the sponsor of this bill, "Under current law, city and county governments may enact ordinances requiring short-term rental facilitators to provide address on a short-term rental property within the jurisdiction of that city or county government. In instances where the address alone is not sufficient to provide the city or county government with the information necessary to identify a specific short-term rental at the provided address, the city or county government may request the assessor parcel number of each short-term rental, the URL associated with the specific short-term rental listing, and information related to the identification of an accessory dwelling unit, guest house, or single unit located at the address or parcel number requested. Short-term rental properties are not exclusively located in the jurisdiction of city or county governments. While on a smaller scale, there are short-term rental properties located on tribal land.

   "Although California tribes may lawfully exercise their sovereign authority to enact and administer transient occupancy taxes on lodging facilities located on tribal lands, unfortunately, current state law excludes federally recognized Indian tribes from receiving the same information from short-term rental facilitators that is currently provided to city and county governments. This makes it significantly more difficult for tribal governments to receive the information they need to administer and collect transient occupancy taxes for these properties.

   "Tribal transient occupancy tax revenues are vital to allow funding of essential governmental services, including public safety, fire and emergency response, infrastructure, environmental protection, and tourism management. These services benefit the reservation community (consisting of both tribal and non-tribal members), as well as visitors to the state of California.

   "The narrow bill would apply only to federally recognized tribes located in California and only when the tribe imposes a transient occupancy tax. SB 594 does not expand regulatory authority or alter jurisdictional boundaries. It simply recognizes tribal governments for purposes of administering a tax function equivalent to that of cities and counties. This bill promotes parity and fairness, strengthens revenue integrity, reduces enforcement friction, and advances California's policy of cooperative intergovernmental relations."

8) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Agua Caliente Band of Cahuilla Indians [SPONSOR]
Cathedral City
City of Rancho Mirage

Opposition

None on file

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