



## Voluntary Collection Agreement of Transient Occupancy Tax with AirBNB

Finance Department

City Council  
October 16, 2018

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### LEGISLATIVE HISTORY

- Riverside Municipal Code Chapter 5.32
  - Requires the payment of Transient Occupancy Tax (TOT) for any structure which is occupied or intended or designed for use as occupancy by transients, including but not limited to dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.



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## BACKGROUND

1. Short-term rental is a residence or dwelling rented for 30 consecutive calendar days or less.
  - A. Subject to TOT
  - B. TOT collected by each property owner
2. Growth in short-term rental market
  - A. Over 300 listed in Riverside
  - B. 5 million listings worldwide



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## DISCUSSION

1. Airbnb offered to collect TOT on behalf of property owners.
  - A. Single contact for collection
  - B. Similar to process for hotels
2. Voluntary Collections Agreement effective December 1, 2018
3. TOT is 13% of rent charged by operator



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## VOLUNTARY COLLECTION AGREEMENT (VCA)

### 1. Terms include:

- A. Airbnb assumes role & liability of reporting & collection of TOT
- B. All personal identification of hosts & guests will be excluded from audits
- C. Agreement only relates to use of Airbnb Internet-based platform
- D. Airbnb will notify hosts of the collection & remittance of TOT
- E. Airbnb is only liable for TOT effective December 1, 2018
- F. Termination from either party requires a 30 day written notice



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## RECOMMENDATIONS

That the City Council:

- 1. Approve the Voluntary Collection Agreement of Transient Occupancy Tax (TOT) with Airbnb Inc. for short-term rentals in the City of Riverside.
- 2. Authorize the City Manager, or his designee, to execute the Voluntary Collection Agreement with Airbnb, including making minor and no substantive changes.



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