



## City of Grass Valley City Council Agenda Action Sheet

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**Title:** SB 584 - Letter Opposing Unless Amended

**CEQA:** Not a Project.

**Recommendation:** That Council 1) approves the letter opposing SB 584; and 2) authorizes the Mayor to sign the letters opposing SB 584.

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**Prepared by:** Timothy M. Kiser, City Manager

**Council Meeting Date:** June 27, 2023

**Date Prepared:** June 21, 2023

**Agenda:** Consent

**Background Information:** There is a new proposed bill in California, known as SB 584, that seeks to implement a 15% tax on short-term rental occupancy across the state. The money generated from this tax would be used to create grants for the development of "laborforce housing". However, this tax could negatively impact cities that rely on tourism and hospitality as their primary source of income, as a transient occupancy tax is already in place, with an average rate of 10%. Implementing an additional 15% tax could be a financial burden for these providers and harm local revenue streams. In our opinion, SB 584's approach to providing affordable housing is flawed and could have unintended consequences.

Staff is recommending City Council approve the letters opposing SB 584 and authorize the Mayor to sign the letters.

**Council Goals/Objectives:** The execution of this action attempts to achieve Strategic Goal #5 - High Performance Government and Quality Service.

**Fiscal Impact:** If SB 584 is passed and not amended, the City might see a reduction in short-term rental TOT funds.

**Funds Available:** N/A

**Account #:** N/A

**Reviewed by:** Tim Kiser, City Manager

**Attachments:** Draft Letters opposing SB 584