



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA

Regular Special

Meeting Date: February 10, 2026

Title: City Council Ordinance 679-AC Amending Chapter 12, Entitled *Short-Term Residential Rentals*, in the Needles Municipal Code

Background: In 2022, the City of Needles adopted Ordinance No. 649-AC, establishing a comprehensive regulatory framework for short-term residential rentals. The ordinance created a permitting program, operational standards, occupancy and parking limits, enforcement mechanisms, and hosting platform responsibilities to balance tourism activity with neighborhood livability, public safety, and quality-of-life concerns.

While the City’s ordinance requires short-term rental operators to obtain permits and comply with local regulations, staff has experienced limitations in verifying compliance for listings advertised through third-party platforms. This has affected the City’s ability to efficiently distinguish permitted versus unpermitted rentals and ensure equitable enforcement of Transient Occupancy Tax requirements.

In 2025, the California Legislature enacted Senate Bill 346, known as the *Short-Term Rental Facilitator Act of 2025*. The Act authorizes local agencies to adopt implementing ordinances requiring short-term rental facilitators and hosting platforms to provide limited identifying information for listed properties and to display City-issued permit and tax registration numbers within listings. Adoption of these provisions is discretionary and must be enacted by ordinance. SB 346 is not operative within a local jurisdiction unless adopted by ordinance; Ordinance No. 679-AC constitutes the City of Needles’ formal election to implement the Act pursuant to Government Code section 50990 et seq. The information authorized to be collected is limited to that expressly permitted by state law and is used solely for enforcement and tax administration purposes.

Ordinance No. 679-AC amends Chapter 12 of the Needles Municipal Code to implement SB 346 locally. The ordinance does not expand where short-term rentals are allowed, modify operational standards, or change permit fees or tax rates. Instead, it strengthens the City’s existing short-term rental program by providing additional compliance and enforcement tools authorized under state law. The reporting and display requirements authorized by SB 346 are intended primarily to support the City’s administration and enforcement of Transient Occupancy Tax and ensure equitable tax compliance among all short-term rental operators.

Fiscal Impact: No fiscal impact is anticipated. Implementation will be managed within existing staff resources and is expected to improve the City’s ability to verify compliance and administer Transient Occupancy Tax collections.

Recommendation: Approve Ordinance No. 679-AC amending Chapter 12, entitled *Short-Term Residential Rentals*, in the Needles Municipal Code.

Submitted By: Patrick Martinez, City Manager

City Manager Approval: Patrick J. Martinez **Date:** 2/5/2026

Other Department Approval (when required): _____ **Date:** _____