



# COUNTY OF HUMBOLDT

For the meeting of: 11/19/2019

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File #: 19-1607

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**To:** Board of Supervisors

**From:** Treasurer/Tax Collector

**Agenda Section:** Consent

**SUBJECT:**

Second Amendment to Airbnb Voluntary Collection Agreement (VCA)

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute a Second Amendment to the Voluntary Collection Agreement (VCA) with Airbnb, Inc. to stop the collection of the Humboldt County Tourism Business Improvement District (HCTBID) Assessments (Attachment 1).

**SOURCE OF FUNDING:**

None. The VCA is revenue positive.

**DISCUSSION:**

The VCA executed by your Board on May 31, 2016, and dated June 8, 2016 (Attachment 2), established the collection and remittance of Transient Occupancy Taxes (TOT) for the county on behalf of third-party individuals or entities that utilize Airbnb's online booking platform for short-term lodging. The execution of the first amendment (Attachment 1) required Airbnb to begin collecting and remitting the HCTBID, along with TOT, for the county as of April 1, 2018 for those same third-party individuals or entities that utilize the Airbnb platform.

On October 15, 2019 your Board approved a modification to the Management District Plan (MDP), (Attachment 3), as requested by the Humboldt Lodging Alliance (HLA), which eliminated lodging businesses with less than 5 rentable units at a single location from HCTBID assessment requirements; effective January 1, 2020.

The Treasurer-Tax Collector (T-TC) asked Airbnb if their company had the ability to continue to collect from lodging operators with 5 or more rentable units at a single location if a list of those properties were provided to Airbnb and the answer was no. Airbnb stated they cannot apply a tax to only some listings and exempt others, unless the application is based on a data point which Airbnb regularly collects (e.g., location, number of nights booked, type of listing, etc.). Airbnb stated they could potentially manually configure each listing but because hosts have the ability and right to take

down, add, or re-list properties at any time there would be no way to maintain accuracy regarding the changed HCTBID assessment criteria.

**FINANCIAL IMPACT:**

Your Board's approval and execution of this second amendment will remove the HCTBID collection requirement from the VCA effective January 1, 2020; however this action will have no effect on county revenue because cost recovery for the HCTBID are covered by a 2% administrative fee deducted from all HCTBID assessment revenue before it is submitted to the HLA; as authorized by the revised MDP.

**STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs.

**OTHER AGENCY INVOLVEMENT:**

Humboldt Lodging Alliance

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

None - The county must direct Airbnb to stop collecting the HCTBID assessments in order to comply with the revised MDP approved by your Board.

**ATTACHMENTS:**

1. Airbnb VCA Second Amendment dated November 19, 2019
2. Airbnb VCA dated June 8, 2016
3. HCTBID Modification to MDP Resolution 19-104 dated October 15, 2019