



## SUMMARY REPORT

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**Agenda Date:** 11/28/2023

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**To:** Board of Supervisors

**Department or Agency Name(s):** Auditor-Controller-Treasurer-Tax Collector, County Administrator

**Staff Name and Phone Number:** Erick Roeser & Brooke Koop, ACTTC, 707-565-2281; McCall Miller, CAO, 707-565-2431

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

Voluntary Collection Agreement with HomeAway.com, Inc.

**Recommended Action:**

Authorize the Chair to execute a voluntary collection agreement with HomeAway.com, Inc. for the collection of Transient Occupancy Tax in the unincorporated areas of Sonoma County effective February 1, 2024.

**Executive Summary:**

The County entered into negotiations with HomeAway.com, Inc. (HomeAway) for a voluntary collection agreement (Agreement) in order to facilitate the reporting, collection, and remittance of transient occupancy taxes (TOT) for booking transactions completed by hosts and guests on the HomeAway internet-based platform in the unincorporated areas of Sonoma County.

Beginning February 1, 2024, HomeAway agrees to register as a collector for the reporting, collection, and remittance of TOT, and will commence collecting and remitting TOT on taxable booking transactions. HomeAway will be the registered collector on behalf of any of its subsidiaries collecting TOT. HomeAway will report aggregate information in the form of a monthly return on the County's TOT return form. As of September 30, 2023, Sonoma County has 2,902 active TOT Certificates. It is unknown how many of those currently registered with Sonoma County utilize HomeAway for booking transactions.

**Discussion:**

HomeAway provides an internet-based platform, including the popular vacation rental by owner (VRBO) website, through which third parties offering accommodations (hosts) and third parties booking such accommodations (guests) may communicate, negotiate, and consummate a booking transaction.

Currently, it is the responsibility of individual operators to remit TOT revenue for HomeAway stays. Under this Agreement, HomeAway will be responsible for remitting TOT revenue to the County. The number of operators utilizing HomeAway for bookings is unknown, therefore the predicted increase in TOT revenues cannot be estimated. Additional revenue will be incorporated in the CAO's annual forecasting and included as appropriate in future budgets.

Beginning February 1, 2024, HomeAway agrees to register as a collector for the reporting, collection, and remittance of TOT and to commence collecting and remitting TOT in accordance with the terms of the

Agreement. Additional details of the Agreement are as follows:

- HomeAway will file monthly tax returns on the County's TOT return form.
- HomeAway agrees to assume liability for any failure to report, collect and/or remit the correct amount of TOT, including penalties and interest.
- Allows the County to audit HomeAway on the basis of TOT returns and supporting documentation and the County agrees not to audit any individual guest or host for taxation purposes. The Agreement does not prevent the County from auditing a property owner for transactions on another internet-based platform or that the County learns of independently.
- Guests and hosts will still be responsible for the collection and payment of TOT for transactions not completed on the HomeAway platform.
- HomeAway will provide each Operator with the ability to display a County issued TOT identification number on the HomeAway platform for each short-term rental being advertised.
- The County will confirm its jurisdictional boundaries with HomeAway within 90-days of the effective date of the Agreement.

With the approval of this Agreement, Sonoma County will join a short list of California counties, which include Marin, Siskiyou, Solano, Humboldt, and Tehama, who have successfully negotiated agreements with HomeAway.

**Strategic Plan:**

N/A

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

**Prior Board Actions:**

None

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY23-24 Adopted</b>	<b>FY24-25 Projected</b>	<b>FY25-26 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			

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<b>Total Sources</b>			
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**Narrative Explanation of Fiscal Impacts:**

The foreseen additional revenue from this Agreement is not known. Improved TOT revenues received from this agreement will be monitored and included as appropriate in future budgets.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Agreement

**Related Items "On File" with the Clerk of the Board:**

N/A