



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer-Tax
Collector-Public
Administrator
Department No.: 065
For Agenda Of: 2/25/2025
Placement: Set Hearing
Estimated Time: 20 minutes on
3/18/2025
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Harry E. Hagen, CPA, CCMT, CFIP, CGIP, CPFA, CPFO,
Director(s) ACPFIM
Treasurer – Tax Collector
(805) 568 – 2490
Contact Info: LeAnne Hagerty, CPA, CPFO
Treasury Finance Chief
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SUBJECT: Dimitar Yazadzhiev Appeal of the Treasurer-Tax Collector’s Transient Occupancy
Tax Audit Final Determination

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions: That the Board of Supervisors:

- a) On February 25, 2025, set a hearing for March 18, 2025, to consider an appeal of the Treasurer-Tax Collector’s Transient Occupancy Tax (TOT) audit final determination for Dimitar Yazadzhiev. The appeal was filed by Mr. Yazadzhiev.
- b) On March 18, 2025, consider taking the following actions:
 - i. Conduct a hearing to consider the appeal of the final determination of TOT, Tourism Business Improvement District assessment (TBID), interest and penalties assessed by the Treasurer-Tax Collector on Dimitar Yazadzhiev in the amount of \$8,034.37; and
 - ii. Uphold the Treasurer-Tax Collector's final determination and deny the appeal request for the waiver of penalties and interest totaling \$1,717.82; and
 - iii. Deny the appeal request for a payment plan arrangement for the TOT/TBID amount totaling \$6,316.55; and

- iv. Adopt the findings proposed by the Treasurer-Tax Collector; and
- v. Determine that the above actions involve government funding mechanisms and/or fiscal activities and are not a project under the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

The Treasurer-Tax Collector conducted an audit of the short-term rental activity of Dimitar Yazadzhiev for the period of June 1, 2021 to May 31, 2024. The purpose of the audit was to determine compliance with the Santa Barbara County Code Chapter 32, Article II (TOT Ordinance).

As a result of the audit, the Treasurer-Tax Collector determined that the amount due from Mr. Yazadzhiev was \$8,034.37, consisting of \$6,316.55 in TOT/TBID and \$1,717.82 in penalties and interest, and this amount was assessed against Mr. Yazadzhiev.

Pursuant to County TOT Ordinance Section 32-18, Dimitar Yazadzhiev has appealed the determination of the Treasurer-Tax Collector to the County Board of Supervisors.

Background:

Under the County's TOT Ordinance, it is a lodging operator's obligation to apply for and obtain a Transient Occupancy Registration Certificate, and collect, report and remit the TOT monthly. Section 32-17 of the Ordinance describes the responsibility of the Treasurer-Tax Collector regarding the collection of TOT:

“If any operator shall fail or refuse to collect such tax and to make, within the time provided in this article any report and remittance of such tax or any portion thereof required by this article, the county tax collector shall proceed in such manner as he may deem best to obtain facts and information on which to base his estimate of the tax due. As soon as the county tax collector shall procure such facts and information as he is able to obtain upon which to base the assessment of any tax imposed by this article and payable by any operator who has failed or refused to collect the same to make such report and remittance, he shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this article.”

Under the Santa Barbara South Coast Tourism Business Improvement District Management Plan, lodging business owners within the TBID pay an assessment and those funds are used to provide services that increase demand for room night sales. The assessment is levied upon and a direct obligation of the assessed lodging business. The TBID assessment is required to be remitted monthly.

In April 2023 the Treasurer-Tax Collector's office issued a TOT Certificate to Dimitar Yazadzhiev for his short-term rental business located at 4925 Cervato Way, Santa Barbara. In July 2024, Treasurer-Tax Collector staff noted that although Mr. Yazadzhiev had a TOT Certificate, he had not remitted TOT to the County. Therefore, a letter was sent to him advising him that the Treasurer-Tax Collector would be auditing his financial records to review his compliance with the County's TOT Ordinance.

At the conclusion of the audit, a determination letter was sent to Mr. Yazadzhiev with the finding that he failed to report and remit TOT and TBID to the County, and delineating the amount due to the County.

Dimitar Yazadzhiev requested a hearing with the Treasurer-Tax Collector on the amount assessed. A hearing was held on November 7, 2024, and a final determination letter was sent to him on November 22, 2024, informing him that the amount due to the County remained \$8,034.37.

Dimitar Yazadzhiev is appealing the Treasurer-Tax Collector's final determination to the County Board of Supervisors, requesting to have the \$1,717.82 in penalty and interest waived, and to set up a payment plan for the \$6,316.55 due for TOT/TBID.

Special Instructions:

Clerk of the Board - please send the findings of the Board of Supervisors to Dimitar Yazadzhiev.

Attachments:

1. Dimitar Yazadzhiev request for appeal hearing with the Board of Supervisors.
2. Dimitar Yazadzhiev Proposed Findings of the County of Santa Barbara Board of Supervisors
3. Santa Barbara County Code Chapter 32, Article II

Authored by:

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