



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: 5/13/2025
Placement: Set Hearing
Estimated Time: 20 minutes on 6/3/2025
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
(805) 568 – 2498

SUBJECT: Aida Abolahrar 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 May 13, 2025, set a hearing for June 3, 2025, to consider an appeal of the Treasurer-Tax Collector's Transient Occupancy Tax (TOT) audit final determination for Aida Abolahrar. The appeal was filed by Ms. Abolahrar.
- b) On June 3, 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), penalties and interest assessed by the Treasurer-Tax Collector on Aida Abolahrar in the amount of \$31,170.72; and
 - ii. Uphold the Treasurer-Tax Collector's final determination and deny the appeal request for the waiver of penalties and interest totaling \$6,997.33; and
 - iii. Adopt the findings proposed by the Treasurer-Tax Collector; and

- iv. 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 Aida Abolahrar 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 Code).

As a result of the audit, the Treasurer-Tax Collector determined that the amount due from Ms. Abolahrar was \$31,170.72, consisting of \$24,173.39 in TOT/TBID and \$6,997.33 in penalties and interest, and this amount was assessed against Ms. Abolahrar.

Pursuant to County TOT Code Section 32-18, Ms. Abolahrar has appealed the determination of the Treasurer-Tax Collector to the County Board of Supervisors (Board).

Background:

Under the County's TOT Code, 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 TOT Code 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 May 2023 the Treasurer-Tax Collector's office issued a TOT Certificate to Aida Abolahrar for her short-term rental business located at 808 Cheltenham Rd., Santa Barbara. In July 2024, Treasurer-Tax Collector staff noted that although Ms. Abolahrar had a TOT Certificate, she had not remitted TOT to the County. Therefore, a letter was sent to her advising her that the Treasurer-Tax Collector would be auditing her financial records to review her compliance with the County's TOT Code.

At the conclusion of the audit, a determination letter was sent to Ms. Abolahrar with the finding that she failed to report and remit TOT and TBID to the County and delineated the amount due to the County.

Ms. Abolahrar requested a hearing with the Treasurer-Tax Collector on the amount assessed. A hearing was held on March 7, 2025, and a final determination letter was sent to her on March 11, 2025, informing her that the amount due to the County remained \$31,170.72.

Ms. Abolahrar is appealing the Treasurer-Tax Collector's final determination to the Board, requesting to have the \$6,997.33 in penalty and interest waived.

Also, to address a few of Ms. Abolahrar's comments in her letter to the Board:

1. She mentioned that when she visited the Santa Barbara County website and searched for AirBnB there were no results. AirBnB is a service provider for short-term rental operators, so the County's website does not specifically mention this provider on its website. However, the requirement to collect TOT applies regardless of the search results. But, to address her point, we recently changed the website's search criteria, so if AirBnB (or VRBO) is entered, the Tax Collector's TOT webpage will show in the search results.
2. She stated that "on the SB City website, I see TOT required for any hotel, inn, motel or other commercial establishment" and that it "seems 'off' to put a single room rental in the same grouping." Her rental is in the unincorporated area of the County, so it falls under the County Code which has the following, more robust description of the types of rentals subject to TOT:

"Any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof."

Special Instructions:

Clerk of the Board Please give notice to Ms. Abolahrar in writing by first class mail of the time and place of the hearing.

After the hearing, please send the findings of the Board of Supervisors to Ms. Abolahrar.

Attachments:

1. Aida Abolahrar's request for appeal hearing with the Board of Supervisors.
2. Aida Abolahrar 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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