

Dimitar Yazadzhiev Appeal
of the
Treasurer-Tax Collector's
Transient Occupancy Tax (TOT) Audit Final
Determination

Santa Barbara County Board of Supervisors

March 18, 2025

County of Santa Barbara
Treasurer-Tax Collector
LeAnne Hagerty, CPA
Treasury Finance Chief

Overview

Santa Barbara County Transient Occupancy Tax (TOT) Ordinance (Santa Barbara County Code Chapter 32, Article II)

- Every hotel, motel, and short-term rental operator in the unincorporated areas of Santa Barbara County is required to collect the TOT from transients who stay for a period of thirty (30) consecutive days or less.
- Operators are required to register their short-term rentals with the County Tax Collector within thirty (30) days after commencing business.
- If any operator fails to collect and remit the tax to the Tax Collector, then the Tax Collector is to gather facts and information that he is able to obtain, in order to determine and assess the tax, interest and penalties on the operator.

Overview

Santa Barbara South Coast Tourism Business Improvement District (TBID) Plan

- Lodging business owners within the TBID pay an assessment and those funds provide services that increase demand for room night sales.
- This assessment is levied upon and a direct obligation of the short-term rental operator.
- The assessment is required to be remitted to the Treasurer-Tax Collector monthly.

Overview

Treasurer-Tax Collector TOT Ordinance Enforcement

- Tax Collector's website has extensive information on TOT collection requirements.
- Tax Collector conducts TOT audits primarily initiated by:
 - Change of ownership status
 - Public complaints
 - General non-reporting of short-term rental activity
- Dimitar Yazadzhiev non-reporting of short-term rental activity
 - Unreported rental activity was noted on our TOT compliance software.
 - A letter was sent to the operator with information on the TOT collection requirements for short-term rentals.

Audit Overview

Dimitar Yazadzhiev

- Audit covered the period of June 2021 – May 2024
- Reviewed financial documents (these contain confidential information, so are not provided at this hearing).
- Final audit determination – the amount due to the County is \$8,034.37.

Dimitar Yazadzhiev Appeal Requests

Request 1 –

Mr. Yazadzhiev requests a waiver of the \$1,717.82 assessed in penalties & interest.

Response 1 –

The Tax Collector's website & the rental website used by Mr. Yazadzhiev has clear instructions on who is responsible for collection & remittance of TOT – in Santa Barbara County, it is the operator's responsibility to do this.

Request 2 –

Mr. Yazadzhiev requests a payment plan arrangement for the TOT/TBID amount due of \$6,313.55.

Response 2 –

County Code Chapter 32, Article III does not have a provision for the creation of a payment plan for outstanding payment obligations.

Board Actions

Staff recommends that your Board take the following actions:

- A) Conduct a hearing on the appeal of the final determination of TOT, TBID, penalties & interest assessed by the Treasurer-Tax Collector on Dimitar Yazadzhiev in the amount of \$8,034.37; and
- B) Uphold the Treasurer-Tax Collector's determination and deny the appeal request for the waiver of penalties & interest totaling \$1,717.82; and
- C) Deny the appeal request for a payment plan arrangement for the TOT/TBID amount totaling \$6,316.55; and
- D) Adopt the findings proposed by the Treasurer-Tax Collector as follows:
 - 1. The amount due from Dimitar Yazadzhiev is \$8,034.37.
 - 2. This amount assessed against Dimitar Yazadzhiev is immediately due and payable to the County of Santa Barbara Treasurer-Tax Collector upon the service of notice by the Clerk of the Board; and
- E) 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.